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OLYMPIC PODIUM



The Associated Press

For the U.S. Teams: Surprise! Surprise! The United States won an unexpected gold medal Friday...

For the Soviets, 1 in the Bag, 1 at the Net The Soviet Union, with 7-foot, 4-inch center Arvidas Sabonis playing up to every inch...

There Were Just 12 Seconds Left... But Keim Monday of the United States, grappling with an old nemesis, threw Adlan Varayev of the Soviet Union...

It Was Too Big a Story to Let Pass Just like the condemned man who ate a hearty meal and went to the gallows...

There Also Should Be Medals for Humility "I really came here to jump for a medal. But every time I cleared the bar I got more confidence and thought: there's no reason to be satisfied with anything less than a win..."

Chinese Curtail Economy

Leaders Retrench And Vow Stiffer Central Control

By Edward A. Gargan

BEIJING — After nearly a decade in which China has moved steadily away from traditional socialism, Prime Minister Li Peng declared Friday that centralized control of the country's economy would be strengthened.

Mr. Li's comments, made at the end of a five-day meeting of the Central Committee of the Communist Party, signaled a decisive slowdown in the program of economic restructuring instituted by China's senior leader, Deng Xiaoping, 10 years ago.

That policy has led to private farming, a gradual independence of industry from central controls and a growing reliance on the free market to price the distribution of goods and services — all elements of a program governed by a capitalist model of economic development.

But on Friday, in the face of rampant inflation and accelerating unemployment by urban dwellers, Mr. Li called for an abrupt tempering of the economic agenda. The decision represents a setback for the party leader, Zhao Ziyang, who has been a leading proponent of rapid and aggressive economic change.

"We have before us quite a few difficulties and problems, the most prominent one being the evident inflation in our economic life with excessive increases in prices," the prime minister said at a gathering of diplomats to celebrate the 39th anniversary of the founding of the People's Republic.

Mr. Li's remarks echoed those of an official summary of the deliberations of the Central Committee issued by Xinhua, the official press agency. The Central Committee, the formal policy-making body of the party, decided this week, according to the press agency, that "the major effort required in improving the economic environment is to reduce the total social demand and curb inflation and, by rectifying the economic order, to put an end to confusion existing in economic activities, especially in the sphere of circulation."

Gorbachev Leads Sweep of Politburo; Gromyko Out and Ligachev Is Shifted



Andrei Gromyko, who retired from the Politburo and is likely to be removed as president.

'Age Is a Stubborn Thing'

Departure of a Kremlin Pillar Is Handled With Grace

By Felicity Barringer

MOSCOW — Andrei A. Gromyko, the dom and enigmatic diplomat who helped engineer both the freezing and the thawing of East-West relations since World War II, bowed out of a government Friday that had largely abandoned his policies.

Mr. Gromyko's age — he will be 80 next year — was the stated reason for his resignation from the Communist Party's ruling Politburo. But there was an ambiguous note in his courteous parting remarks, the last composition of a man who made his living writing between the lines.

"I feel sad over the fact that my position within the Central Committee of the Communist Party of the Soviet Union has changed, but age is a stubborn thing and there is no getting away from it," Mr. Gromyko told his colleagues, according to Tass.

Yet the respected veteran of six Soviet governments had also been subjected to a stinging moment of public repudiation at the 19th Communist Party conference in June, when a regional official labeled him an architect of the now-repudiated policies of Leonid I. Brezhnev and called bluntly for his resignation.

Perhaps more galling was a July 25 speech by Foreign Minister Eduard A. Shevardnadze, who in 1985 took over the post Mr. Gromyko had occupied for a remarkable 28 years. Mr. Shevardnadze never mentioned Mr. Gromyko by name, but described his foreign policy of his period as ideologically and practically flawed, marked by a "habit of slamming doors."

Mr. Shevardnadze did leave his criticism with praise for the signing of major East-West arms control agreements, the 1975 Helsinki accords, and other milestones of post-war diplomacy. But the bulk of the speech tilted toward rejection of Mr. Gromyko's policies.

The foreign policy apparatus of that time, Mr. Shevardnadze said, was characterized by "misguided protectiveness and excessive secrecy, the total lack of information about its internal life and the artificially cultivated premise of infallibility."

Dobrynin and Others From Brezhnev Era Go

By Philip Taubman

MOSCOW — In a major reshuffling of the Communist Party leadership, the Central Committee dismissed three veteran members of the Politburo on Friday and approved the retirement of another member, Andrei A. Gromyko, the Soviet president.

The moves, which were accompanied by a sweeping reorganization of the party's central apparatus and the elevation to the Politburo of four new members, appeared to enhance the power of Mikhail S. Gorbachev more than any realignment in the leadership since he assumed office in March 1985.

The decisions left Mr. Gorbachev with a younger Politburo more firmly under his control, with more members beholden to him, and a revamped party apparatus, including six powerful new Central Committee commissions, to help carry out his programs.

Two key figures who have sometimes questioned Mr. Gorbachev's policies, Yegor K. Ligachev, the No. 2 party leader, and Viktor M. Chebrikov, the head of the KGB, retained their Politburo posts but were given new party responsibilities in the reorganization that may diminish their power.

An unexpected casualty of the meeting on Friday was Anatoli F. Dobrynin, the former ambassador to Washington, who was relieved of his job as a Central Committee secretary and senior foreign policy adviser to Mr. Gorbachev.

Vadim A. Medvedev, named a full member of the Politburo on Friday, told a news conference that Mr. Dobrynin, who is 68, "requested to retire for reasons of age and health. There is nothing else to it."

Still unclear after the dramatic one-hour meeting in the Kremlin was why Mr. Gorbachev scheduled the session on short notice Wednesday ago and whether the changes followed some kind of showdown in recent days over his effort to



Vadim A. Medvedev

reshape the country and eliminate figures from the Brezhnev era.

Mr. Medvedev said that reports of a leadership split were "totally baseless inventions."

During his appearance, the first time a senior party official has briefed reporters immediately after a Central Committee meeting, Mr. Medvedev said the decisions were "a major step toward the realization" of Mr. Gorbachev's policies.

Dropped from the Politburo was one of its senior figures, Mikhail S. Solomentsev, 74, who became a full member in 1983 and directed the Party Control Committee, which investigated and disciplined party members for wrongdoing.

Peter N. Demichev, 70, a non-voting Politburo member since 1964, and Vladimir I. Dolgikh, 63, a non-voting member since 1982, were also removed.

Along with Mr. Medvedev's promotion to full membership — he was previously a Central Committee secretary and the party's senior adviser on Eastern Europe — three new non-voting members were named.

They are Alexander V. Vlasov, who is minister of the interior, Anatoli I. Lukyanov, a close Gorbachev ally who directed party policy on legal and law enforcement issues, and Alexandra P. Biryukova, the party's top aide on the production of consumer goods. She is the only woman on the Politburo.

Mr. Ligachev, who has frequently expressed doubts about the cultural liberalization under Mr. Gorbachev, was not named.

See SOVIET, Page 4

Illusion of Purity Is Loser at the Games

By Fred Hiatt

Washington Post Service

SEOUL — Thanks to Ben Johnson, the 1988 Olympics will be remembered for what was lost as well as what was won.

For 9.79 seconds, Johnson held the world in his hands. Then he was found to have used a banned performance-enhancing drug, and lost his world: a gold medal, millions of dollars in endorsements, perhaps his future in amateur track and field.

For everyone else, what was lost was a memory and an illusion: the memory of one of the greatest races and rivalries of amateur track and field; the illusion that, beneath the money and politics and corruption of sport, one purity remained, the purity of athlete

against athlete, competing to the limits of their natural selves.

It would be unfair to say that the Games will be remembered as the drug Olympics. Unfair to Matt Biondi and Florence Griffith

COMMENTARY Joyner, to Greg Louganis and Kristin Otto, to Teresa Edwards and Arvidas-Romas Savonas. But it would not be unfair to say that, with the shocking expulsion of the top athlete from these Games' top event, the issue of drugs and sports can no longer be consigned to scientific conferences, pious press statements and the sports pages.

After Johnson's dramatic banishment on Tuesday, every top athlete whose perfor-

mance showed improvement became the object of rumor and suspicion.

"It's a global problem," Robert Helmick, president of the U.S. Olympic Committee, said Friday. "We're going through a phase now, and we'll get to the other side, where instead of assuming a top athlete has a drug problem, we'll assume these top athletes don't."

Not everyone was so optimistic. Even before the Games began, sports doctors had predicted that many athletes would be using muscle-building and speed-enhancing substances and that most of them would not get caught. Since the Johnson scandal, that assessment had not changed. Dr. Robert A. Voy, chief medical officer for the U.S. Olymp-

See DRUGS, Page 16



Muscovites gathering along a street Friday night to read about the reshuffle in the Communist Party.

On Shuttle, Flight Tasks And Mozart

By John Noble Wilford

New York Times Service

HOUSTON — Flight controllers said Friday that the space shuttle Discovery was performing well, despite two pesky equipment malfunctions, as the astronaut spent their first full day in orbit operating scientific experiments, checking out all systems and enjoying the views of Earth below.

"The orbiter is great," said Milt Heffin, a flight director. "The systems on the orbiter are doing quite well. It's just operating super."

On the second day of the mission, the five astronauts were reported to be in excellent health and spending a fairly relaxed schedule, performing experiments and taking time out for sightseeing and Mozart.

Mr. Heffin said the Discovery's performance since its launching Thursday morning was "demonstrating that we're ready to begin operations" again with the three shuttles remaining in the fleet since the Challenger disaster 32 months ago.

Engineers reported that the \$100-million communications satellite, deployed from the shuttle cargo bay on the first day, had reached its planned orbit 22,300 miles (35,680 kilometers) above the Equator near the International Date Line in the Pacific Ocean.

Officials said the Tracking and Data Relay satellite, or TDRS, appeared to be functioning properly and after a month of testing should be ready to handle data-relay operations for future shuttle flights and other satellites.

When they were not checking out systems of the shuttle itself and troubleshooting an antenna problem and difficulties with the air-

See SHUTTLE, Page 4

Kiosk

Pakistan Gangs Kill at Least 60

MARACHEL, Pakistan (Reuters) — At least 60 persons were killed Friday and 150 wounded when roaming groups of gunmen opened fire on crowds in the southern city of Hyderabad, hospital doctors and witnesses said.

The motive for the attacks was not immediately clear, but ethnic tensions between native Sindhis and Muslim immigrants was suspected.

General News Five presidents are to take part in two African summit meetings as the focus of peacemaking shifts to Angola. Page 4.

Business/Finance

Grand Met sold the Inter-Continental hotel chain to Saison Group of Japan. Page 9.

Table with exchange rates for various currencies like Dollar, Yen, Pound, Franc, etc.

Gibraltar Jury Clears Britons in IRA Deaths

By Karen DeYoung

Washington Post Service

LONDON — A coroner's jury in Gibraltar found in separate majority verdicts Friday that British commandos were legally justified when they shot and killed three unarmored Irish Republican Army members in the British colony last March.

The verdicts came after seven hours of deliberation. At one point, the 11-member jury was summoned back to the courtroom and reported that it was deadlocked on all three cases. The coroner, Felix Pizzarello, then said 9-to-2 majorities would be acceptable and, after another hour, the jury returned with such decisions.

There had been a widespread sentiment in the British public and press ever since the March 6 incident that the killings were lawful. Prime Minister Margaret Thatcher likened questioning of the government account of the incident to support for terrorism.

Although Mrs. Thatcher made no public comment on the verdicts, other officials described them as

complete vindication for the government.

Ian Gow, a Conservative member of Parliament and a former Northern Ireland minister, said Friday that the decisions "ought to reassure all those who had any doubt about the commitment of the government to operate within the rule of law."

But Kevin McNamara, a spokesman in Northern Ireland for the opposition Labor Party, called for an independent judicial inquiry to study some of the questions raised during the inquest about government and army conduct.

Sinn Fein, the IRA's political wing, said in a statement in Belfast that the verdicts were "no surprise," despite what it said was a clear case of "murder."

The lengthy inquest included often conflicting testimony from nearly 100 witnesses, including members of the Special Air Service team involved in the killings. The government repeatedly denied claims by the lawyer representing the families of the dead

See GIBRALTAR, Page 4

Munich Peace at 50: Lost 'in Our Time'

By Serge Schmemmann

New York Times Service

MUNICH — Although the cold stratum is empty, the muffled cacophony of pianos, trumpets and voices and the echo of heels clacking somewhere on a marble floor seem to be almost a theatrical prelude to a fateful scene — like the one staged here a half-century ago on Thursday.

"You're probably looking for Room 105," said a man with a knapsack and long gray hair, speaking English. "It's over here. That's why I came, too, but I think we're the only ones."

It was indeed in Room 105, of what was then the Fährerbau, Hitler's Munich headquarters, that 50 years ago Thursday night the Nazi leader signed the fateful agreement with Britain, France and Italy that Prime Minister Neville Chamberlain would trumpet as the "peace in our time."

Now, that room and that building produce softer notes — as the home of the Bavarian State College of Music.

Within a year of Hitler's agreement, Europe was at war, and "Munich" had become a synonym for spineless pandering to despotism. The "peace in our time" became a stern reminder that dictators understood only raw power.

forced to sacrifice principle before political reality. And the "lesson of Munich," so fiercely invoked during the Cold War, no longer seems so compelling.

These days, Munich evokes images of beer, particularly in this season of the huge beer bash known as the Oktoberfest. It also conjures up the sense of wealth: the Bavarian capital has become perhaps the most prosperous and high-living city in West Germany.

The Fährerbau, too, has changed. A thick growth of trees now screens the gray portico

himself as William Petropoulos, a graduate student in philosophy from Hermitage, Pennsylvania, said he realized by looking at the calendar what day it was and was surprised that no one else seemed to remember.

But that Germans did not commemorate the anniversary was not really so strange. West Germany does not mark the milestones of Hitler's rise or raise plaques on his monuments — and, in any case, few need to be told.

"Everybody knows what was here," said Andrea Bonati, a student in conducting from Bremen, unlocking the door to 105. "They say the Nazis made deep tunnels from here to other buildings, but I've never been in them."

Only the panels of burled walnut, the fireplace, and the Banhaus chandelier remained of Hitler's decorations in what had been his conference room. His heavy furniture was gone, replaced by music stands and chairs.

The recognized authority on the Fährerbau is the building superintendent, Raimund Reichenberger.

He was only six years old when the meeting was held, although he said he remembered Benito Mussolini arriving at the railway station.

Still, he is the proud custodian of a set of photographs of the Fährerbau as it was under Hitler, and he can point out where the giant eagle and swastika were attached to the facade.

Nothing at the entrance or in Room 105 suggested the history that was made there. The man with the knapsack, who introduced

Chamberlain now seems to some more a tragic than foolish leader.

See MUNICH, Page 4

# Pope Rejects a Greater Role for Women

By Roberto Suro  
New York Times Service

ROME — Pope John Paul II issued a major document on the status of women Friday that forcefully defends their dignity as persons but narrowly defines the female role in the Catholic Church and in secular society.

The document is a theological response to the women's movement, but it is unlikely to satisfy many advocates of women's rights. The pope brushed aside demands by some Catholic leaders that women be given a greater role in the church, and he reaffirmed his opposition to the ordination of women as priests.

John Paul characterizes the female identity in terms of the "vocations" of motherhood and virginity, calling on women to find themselves in love for others. The document made almost no mention of work or other public activities for women in its long treatment of their place in Catholic thinking.

Entitled "On the Dignity of Women," the apostolic letter, second only in importance to an encyclical, is based primarily on ana-

lyses of biblical passages. He stated that it was written in the "style and character of a meditation." Vatican officials said it was most important as a philosophical framework for discussing women's issues.

Speaking of the traditional dominance exercised by men over women, the pope said that the overcoming of "this evil inheritance" was the "task of every human being, whether woman or man."

The pope, however, insisted that the feminine identity emerges from a woman's relationship to a man. Commenting on the biblical exhortation, "husbands love your wives," John Paul argued, "in this love there is a fundamental affirmation of the woman as a person."

"This affirmation makes it possible for the female personality to develop fully and be enriched."

Over all, the document is a plea for women to keep faith with the traditional teaching on the feminine role that is based on an exaltation of Mary, whom the pope describes as "the culminating point, the archetype, of the personal dignity of women."

John Paul sees the women's

rights movement as posing a danger to this dignity. "In the name of liberation from male 'domination,'" he said, "women must not appropriate to themselves male characteristics contrary to their own feminine originality."

Senior Vatican officials commenting on the document at a news conference Friday predicted that it would have a profound effect on both the increasingly vociferous debate on the role of women within the church and the movement for women's rights in secular society.

"The Holy Father defines a new, complete Christian feminism," said Archbishop Jan Schone, secretary-general of the Synod of Bishops, emphasizing as did others, the theoretical framework the pope established for discussing women's issues.

Maria da Graça Sales, an official of the Pontifical Council for the Laity, accused women of "enclosing themselves in a kind of narcissism" by simply demanding "the satisfaction of their desires and the realization of their rights."

Dr. Sales, who has served as a consultant to the pope on women's issues, argued that demands for simple sexual equality had failed to meet expectations and that the pope's document would have a major impact on the women's movement because "the delusions and dissatisfaction of many women has created today a new phase in feminism which claims the right to be a woman and the right to differences between men and women."

Virginity is discussed in terms of women who take religious vows of celibacy, and motherhood is posed as the key to understanding the female identity in its physical, psy-

chological and spiritual manifestations.

"This unique contact with the new human being developing within her," the pope said of motherhood, "gives rise to an attitude toward human beings — not only toward her own child, but every human being — which profoundly marks the woman's personality."

In conclusion, John Paul spoke of "the perfect woman" as one who "becomes an irreplaceable support and source of strength for other people," and he stated, "our time in particular awaits the manifestation of that genius which belongs to women, and which can ensure sensitivity for human beings in every circumstance."

At the start of the discourse, which will be known within the church by its title in Latin, "Materis Dignitatem," John Paul stated that this document is in part a response to 1987 Synod of Bishops, in which there were long debates over alleged sex discrimination in the church as well as demands that women be given a greater role in church affairs.

John Paul only deals with these controversies explicitly in a brief passage that reaffirms the all-male priesthood.

Responding to advocates of a female priesthood who say Christ's selection of men was a function of the times he lived in, John Paul argued, "In calling only men as his apostles Christ acted in a completely free and sovereign manner."

"In doing so," he said, "he exercised the same freedom with which, in all his behavior, he emphasized the dignity and vocation of women, without conforming to the prevailing customs and to the traditions sanctioned by the legislation of the time."

# White House Is Skeptical On Limiting U.S. A-Tests

By Michael R. Gordon  
New York Times Service

WASHINGTON — President Ronald Reagan has told Congress that the United States may need to expand its nuclear testing program even if Moscow and Washington agree to cut their strategic arsenals.

In a report to Congress, Mr. Reagan also expressed strong skepticism about the prospects and value of negotiating new limits on nuclear testing.

The United States and the Soviet Union agreed at their summit meeting in December to try to negotiate such limits.

An administration official said the skeptical tone of the report followed internal debate in which administration hard-liners appear to have prevailed.

Since Mr. Reagan will be leaving office soon, the report may reflect policy considerations that would be carried into a Bush administration. Governor Michael S. Dukakis has pledged to seek a ban on testing, if elected.

At the December meeting, the United States and the Soviet Union outlined a step-by-step approach toward limits on nuclear testing. According to a U.S. State Department spokesman, the first step would be to improve verification for two unratified treaties of the 1970s that limit the size of underground nuclear explosions.

The next step would be to "proceed to negotiating further intermediate limitations on nuclear testing" as part of a process to cut strategic arms. But the report appeared to question the value of talks to set limits on the number or size of nuclear tests.

It asserted that there is no "direct technical relationship" between the amount of testing that is needed and the size of the nuclear arsenal. It also said that the need for testing could be greater if strategic arms were reduced, noting that it would be important to ensure that the remaining arsenal of U.S. nuclear weapons was effective.

It further noted that the United States has not yet decided what additional limits might be considered, but added that the administration has determined that a low limit of 10 kilotons is "almost certainly" unacceptable.

The president's report stated that the establishment of any new limits would have serious implications for the American nuclear testing program and would represent a risk to U.S. security. Such a risk, it said, could only be accepted if there were a "major reduction in the threat to the United States and our allies brought about by a significant alteration in the international environment," implying new Soviet policies and arms agreements.



NOBEL LAUREATES AT WORK — Swedish UN troops patrolling Napsora, Lebanon, on Friday.

# Russia Assails UN Observers

By Don Oberdorfer  
Washington Post Service

UNITED NATIONS, New York — The Soviet Union, rather than congratulating United Nations peacekeepers for being awarded the Nobel Peace Prize, has accused UN observers in Afghanistan of not doing their job properly.

Several hours after the announcement Thursday that UN peacekeepers had been awarded the prize, the Soviet Foreign Ministry expressed Moscow's "dissatisfaction" with the activities of the UN group charged with monitoring the Geneva accords on Afghanistan signed in April.

Under the agreement, the Soviet Union agreed to remove its 100,000 soldiers from Afghanistan within nine months of May 15. Outside aid for the rebels was banned.

The Foreign Ministry spokesman, Gennadi I. Gerasimov, quoted Foreign Minister Eduard A. Shevardnadze as telling other foreign ministers and Secretary-General Javier Pérez de Cuellar that "flagrant violations by Pakistan of the Geneva accords" could have consequences that might be "unpredictable."

Mr. Gerasimov said Mr. Shevardnadze made the comments at a 90-minute meeting on Wednesday with Secretary of State George F. Shultz, Mr. Pérez de Cuellar and the foreign ministers of Britain, France and China.

These were among a variety of activities listed by Mr. Gerasimov that he said violated the Geneva accords and have not been reported as such by the UN mission in Afghanistan and Pakistan.

During the session, according to the State Department spokesman, Charles E. Redman, Mr. Shultz noted that UN observers on the seven-party Afghan guerrilla alliance had reported no violations.

Creation of an Afghan agency in Pakistani territory for the guerrillas.

Basing of the headquarters of the guerrilla alliance in Pakistan.

Training centers for Afghan insurgents in "many cities" in Pakistan, manned by officers of the Pakistani Army. Other instructions, he charged, are from China and the United States.

Creation of a special coordination committee of the Pakistani military to work with the Afghan insurgents.

During the session, according to the State Department spokesman, Charles E. Redman, Mr. Shultz noted that UN observers on the seven-party Afghan guerrilla alliance had reported no violations.

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# Curb on Satellite Sales Could Backfire on U.S.

By Michael Richardson  
International Herald Tribune

SINGAPORE — The American satellite industry could lose hundreds of millions of dollars in foreign orders if congressional opponents succeed in blocking satellite export licenses to China, U.S. officials and two satellite companies in the Western Pacific have warned.

Dick Johnson, a senior executive of Australia's national satellite system, said in an interview Thursday that if the U.S. Congress blocked an export license request, his company would consider canceling a contract for two American satellites and instead have them built in Europe for launching in China.

He said the contract for the telecommunications satellites was awarded to a subsidiary of Hughes Aircraft Company of the United States in the expectation that they would be launched by Chinese Long March rockets. China had offered a substantially cheaper price than U.S. or European launchers.

In Hong Kong, a spokesman for

Asia Satellite Communications said that if permission to export its Hughes satellite to China was denied it could look for alternative launching services in Western Europe or the United States, or cancel its contract with Hughes.

Executives of the U.S. space launching industry told a congressional panel on Wednesday that low prices charged by the Chinese for putting satellites into orbit could kill America's commercial rocket industry.

The Reagan administration — after representations from China and Australia and formal requests from Hughes — last month sought congressional approval for an export license for the three-satellites.

It was the first time the U.S. government had approved shipment of U.S.-made satellites to China or any other non-Western destination.

However, an influential group of U.S. legislators opposes the license. They contend that if the Hughes satellites are launched on Chinese rockets, revival of the commercial launching industry in the United States will be jeopardized and technology important to U.S. national security could be lost when the satellites are in Chinese hands.

Mr. Johnson, who is general manager of the Australian domestic communication satellite company, AUSSAT, contacted by telephone in Sydney, said that if the license was blocked, he believed "we would have no choice but to re-evaluate the contract we awarded to Hughes Aircraft Company."

The Australian government owns 75 percent of AUSSAT. Officials in Canberra supported the company's stand. They said that using Chinese rockets to put the two satellites into orbit would save Australia about \$100 million in launch fees.

"What I am really saying to the Americans, politely," Mr. Johnson added, "is that in trying to protect their own launch industry they need to be careful not to hurt their satellite construction industry."

The Reagan administration, meanwhile, is continuing to lobby for approval.

At a Sept. 23 hearing in Washington of the House Science Committee, Eugene J. McAllister, assistant secretary of state for economic and business affairs, warned that AUSSAT might choose a non-American satellite supplier.

He said that export of satellites to China would be permitted only if a number of conditions were fulfilled.

These included negotiation of agreements with China to prevent diversion of satellite technology and possible unfair pricing of launches in future.

Mr. McAllister said that approximately \$250 million would be spent in the United States by Hughes and its major subcontractors under the AUSSAT contract.

In addition, it was "highly likely" that AUSSAT would exercise an option in the next two years to buy a third Hughes satellite worth about \$100 million.

He noted that the runner-up to Hughes in the competition for the AUSSAT contract was a European consortium of satellite manufacturers led by British Aerospace and Matra of France.

The AsiaSat orbiter is to provide an improved telecommunications service in and between China, Hong Kong, Macao, Pakistan, Thailand, Burma, Nepal, Bangladesh and South Korea.

The two satellites for AUSSAT will channel telecommunications and television services for Australia and New Zealand.

# 2 Palestinians Are Killed in Hebron

Compiled by Our Staff From Dispatches

JERUSALEM — Two Palestinians were shot and killed and five wounded in clashes with Jewish settlers and troops in the Israeli-occupied West Bank city of Hebron on Friday, Arabs and hospital officials said.

The slain Khaled Hussein Salah, 42, was shot after Arab protesters stoned the car of the settlers' leader, Rabbi Moshe Levinger, in the center of Hebron.

Mr. Levinger's wife, Miriam, said her husband fired twice into the air after about 30 youths smashed the car windows with rocks and bottles and injured their 21-year-old son. She said he did not kill or wound anyone.

Arab residents said Mr. Levinger fired his pistol into the crowd. The Israeli police, who released him after questioning, said he fired into the air. The army said other settlers and troops also shot in the air and it was not clear who fired the fatal shots.

Some residents said Mr. Salah, a shopkeeper, was hit by stray bullets and was not involved in the clashes. Troops shot and killed Zayn Mohammed Hafez Karaki, 18, during clashes near a Hebron mosque, his family said. The army was holding the youth's body and would not release it, the family said.

Troops declared Hebron a closed military area and barred reporters from the city, where about 200 non-Israeli Jewish settlers live behind barbed wire fences under army guard in the midst of 80,000 Palestinian residents.

Rabbi Levinger led the first group of Israeli settlers to establish a Jewish presence in Hebron after the 1967 Arab-Israeli war. Israeli authorities forced them out of the city, but Mr. Levinger's group later founded the Kiryat Arba settlement, which has become a center for Jewish militants.

In another development, the civil administration in the West Bank announced Friday that it was extending the closure of all schools and universities in the occupied area until Nov. 15, affecting 300,000 schoolchildren.

"This was done first of all to prevent children from being hurt by violence and secondly to avoid an increase in violence," a civil administration spokesman said.

Universities in the West Bank have been closed by the army since the start of Palestinian demonstrations in December. Schools have been closed during most of the uprising.

In East Jerusalem, the police extended the closure of the Palestine Press Service for another year, saying this was necessary for public peace and public order.

The press service, which served as an important information source for foreign correspondents covering the uprising, was ordered shut by the army six months ago.

A Foreign Ministry spokesman said an ambassador would be sent to Libya next month.

# World Briefs

## Papandreou 'Is Fine' After Surgery

HAREFIELD, England (AP) — Prime Minister Andreas Papandreou of Greece, 69, successfully underwent a six-hour heart operation Friday. The Greek Embassy said that "everything is fine."

His surgical team was headed by Dr. Magdi Yacoub, Britain's top heart surgeon, at Harefield Hospital. "The prime minister of Greece today underwent an operation for replacement of his aortic valve using a human valve," a hospital spokesman said. "This was combined with insertion of three bypass grafts and the clearing of the diseased coronary artery to improve the heart function. The team of doctors who performed the operation is pleased with his progress so far."

The prime minister's four children and his companion, Dimitra Lina, were at the hospital. Mr. Papandreou has been hospitalized in Britain since Aug. 25, carrying out government duties from bed. While Mr. Papandreou was undergoing tests, a government spokesman announced that he would divorce his wife of 37 years, an American, on his return home.

## BBC Is Facing Charges Over Disease

LONDON (Reuters) — The British Broadcasting Corp. faces criminal charges over an outbreak of Legionnaires' disease at its London headquarters in April, a government health agency said Friday.

The disease, traced to bacteria in the building's cooling tower, struck 38 people, killing two. A BBC maintenance engineer committed suicide after leaving a note blaming himself for the outbreak.

The Health and Safety Executive said the BBC had been summoned to appear in court, where it would be charged with failing to ensure the safety of its employees and other people. The case opens in a London magistrate's court on Nov. 10. Some of those who caught the disease had walked past or lived near BBC headquarters in central London.

## House Approves Funds for Pentagon

WASHINGTON (AP) — The House of Representatives approved on Friday, by a vote of 327 to 77, a bill to pay for Pentagon programs, hours after the White House announced President Ronald Reagan had signed separate legislation authorizing the Defense Department's budget.

The actions were part of an agreement between the Democratic-controlled Congress and the White House as Congress tried to finish a crowded agenda of spending bills needed before the new fiscal year begins Saturday.

The Senate was expected to vote later on the bill appropriating money for the Pentagon. The complicated budget process involves legislation to authorize programs, followed by separate bills to actually provide the money needed to pay those bills. The measure signed by Mr. Reagan is similar to one he vetoed last month, but restores the military spending priorities he requested in a veto message.

## Thatcher Postpones Visit to Poland

LONDON (Reuters) — A visit to Poland by Prime Minister Margaret Thatcher, scheduled for Oct. 16 to 18, has been postponed for a second time, officials said Friday.

Poland requested the delay because the country is in the midst of a new government following the resignation of Prime Minister Zdzislaw Messner and the appointment Tuesday of Mieczyslaw Rakowski to succeed him. The two governments were discussing a new date for the trip, which will be the first to Poland by a British prime minister.

Mrs. Thatcher was scheduled to meet Lech Walesa, leader of the outlawed Solidarity union, in Gdansk during the visit.

## U.S. Indicts 27 Pilots, Says They Lied

TAMPA, Florida (AP) — Twenty-seven pilots have been indicted for making false statements to the Federal Aviation Administration, officials said Friday. The officials said the pilots lied about drug or alcohol-related convictions to get their licenses.

Among those indicted are 12 current or former commercial pilots, including one for Delta Air Lines, two student pilots, 10 private pilots and three others. Each could face five years in prison and up to \$250,000 in fines.

The office of the inspector general of the Department of Transportation in Washington said the crackdown involved computer checks of 711,000 pilots throughout the country. Investigations are continuing and more indictments are expected, it added.

## Strike Disrupts Athens Air Traffic

ATHENS (Reuters) — Strikes by airport employees and taxi drivers caused chaos for travelers in Athens on Friday. Most domestic flights were canceled and international flights were backed up as ground crew, baggage handlers and other airport employees stopped work.

Athens International Airport was hit particularly hard as some 2,000 civil aviation workers around the country observed a 48-hour strike for more pay.

The chaos was compounded by the taxi strike. About 1,000 banner-waving drivers blocked traffic to attract the attention of European Community transport ministers, who were leaving Athens after a meeting. The drivers were protesting government rules that ban half the city's taxis and private cars from driving within a radius of 13 square kilometers (5 square miles) of the city center at certain times to curb air pollution.

# TRAVEL UPDATE

The press service, which served as an important information source for foreign correspondents covering the uprising, was ordered shut by the army six months ago.

A Foreign Ministry spokesman said an ambassador would be sent to Libya next month.

(Reuters, UPI)

**Reagan U.S. Has For Con**

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# Reagan Tells Honduras U.S. Has Responsibility For Contras in Camps

By Robert Pear  
New York Times Service

WASHINGTON — President Ronald Reagan has assured Honduras that the United States "accepts responsibility" for thousands of Nicaraguan guerrillas living in Honduran camps, and American officials are considering admitting some of them to the United States as refugees, administration officials said Friday.

Honduras, already providing refuge to hundreds of thousands of Salvadorans and other Central Americans, says it cannot absorb thousands of contra fighters and members of their families who have fled Nicaragua.

State Department and immigration officials said that many contras were already entering the United States illegally, by crossing the Rio Grande into Texas.

The contras and the Sandinistas have been observing a cease-fire since late March. The contras do not have permission to resume fighting and, after eight years of civil war, do not feel welcome in Nicaragua.

But as the Sandinistas haggle with the contras over conditions for resuming peace negotiations, with no prospect of a resumption in military aid from the United States, it seems unlikely that the contras will return to the battlefield.

American policy toward Nicaragua is "in a state of suspended animation" until after the presidential election in November, a State Department official said.

Although American officials said there was no firm plan to evacuate contras to the United States immediately, they confirmed that they had begun discussions of how to deal with the potential refugee problem.

"We have assured Honduras at the highest official level," an administration official said Friday, "that the United States recognizes and accepts responsibility for the contras, and Honduras continually reminds us that we have this responsibility."

Mr. Reagan has conveyed the assurance to President José Azcona Hoyo of Honduras, the official said.

American officials said they were making contingency plans to resettle the contras because the rebels could not be expected to wait indefinitely for the Sandinistas to make political concessions. They said Mr. Reagan would be more inclined to give refuge to the contras if Michael S. Dukakis won the presidential election, because the Democratic nominee had vowed to oppose further American aid to the contras.

If contras were admitted to the United States, they would come as individuals, not as military units, a State Department official said.

Representative George Miller, a California Democrat who has often criticized Mr. Reagan's policy in Central America, said it was "outrageous and unacceptable to suggest that we have to take thousands of contras and their relatives who are stranded as a by-product of the Reagan administration's failed policy in Central America."

"It's an insult to taxpayers, who have already spent more than \$1 billion on that policy," he said.

Administration officials said they still hoped for a political solution that would permit the contras to return to their homeland. The administration wants to keep the contras alive as a political and military force to put pressure on the Sandinistas.

A Honduran diplomat said Mr. Reagan's acceptance of responsibility for the contras was not binding on the next president. "We don't have anything in writing," he said.

The diplomat said Honduras already had 300,000 refugees from El Salvador and other Central American countries. For this reason, he said, Honduras was pressing American officials to bring the contras to the United States.

Foreign Minister Carlos López Contreras of Honduras raised the issue Thursday in a meeting with Secretary of State George P. Shultz at the United Nations, the diplomat said.

A State Department official said that Honduras had over 700 crippled, wounded and disabled contras in its clinics and hospitals.



President Reagan being escorted by two women dressed in Polish costume as he went to a luncheon in Chicago on Friday. Following the president, with glasses, is Governor James Thompson of Illinois.

# A Dukakis Miracle or Mirage? The Record in Massachusetts

By Allan R. Gold  
New York Times Service

BOSTON — Vice President George Bush takes glee in deriding "the Massachusetts miracle" — a slogan adopted by Governor Michael S. Dukakis referring to the state's economic upturn — as "the Massachusetts mirage."

He calls his Democratic opponent the nation's leading spender and borrower, criticizing him as presiding over the erosion of the state's manufacturing base.

However, finance experts agree that under Mr. Dukakis, the Massachusetts economic and budget picture has been considerably stronger than Mr. Bush suggests.

Taken at face value, many of Mr. Bush's assertions on how Mr. Dukakis has managed fiscal and economic affairs are correct.

But his charges often rely on selected information interpreted in the narrowest, most negative way, ignoring contradictory evidence and broader trends that show Massachusetts has had one of the strongest economies of any state.

"I do get ticked off with his off-the-wall stuff that is just not true about the state," said Richard A. Manley, president of the Massachusetts Taxpayers Foundation, an organization that is frequently critical of Mr. Dukakis.

Democratic supporters are more direct, accusing Mr. Bush of misrepresentation. The vice president "continues to display an astonishing disregard for even the most basic economic arithmetic," Lawrence H. Summers, a Harvard economics professor who is an adviser to Mr. Dukakis, wrote in *The Boston Globe*.

In one case, Mr. Bush noted that under Mr. Dukakis, Massachusetts had the second-fastest increase in state taxes per person nationwide. He did not say that tax receipts should have risen dramatically because personal income, on which taxes are based, has been growing faster than anywhere in the country.

The vice president also pointed out that Massachusetts ranks 40th among the 50 states in growth in the number of jobs. He failed to mention that even so, since January 1983, employment has grown by more than 400,000 and that the state has had the lowest unemployment rate of any industrial state, 3.3 percent in August.

In one case, Mr. Bush noted that while Mr. Bush is now emphasizing the state's economic weaknesses, Mr. Dukakis at the start of his campaign did exaggerate.

Here are some of the major questions Mr. Bush has raised about Mr. Dukakis's fiscal and economic policies, and how finance experts assess the situation:

• Mr. Bush observed that in the past two years Massachusetts has turned a surplus into a growing budget deficit that "according to Massachusetts legislators appears to be approaching \$500 million to \$700 million for fiscal 1989." He also charges that the state pension fund is "dangerously underfunded" and that "the state government can't pay its outstanding bills."

The state has entered a rocky period, but this follows several extremely strong years that Mr. Bush did not mention. Mr. Dukakis also said he has balanced 10 state bud-

gets in a row. But the last budget was balanced, with a \$67-million surplus, largely through accounting shifts after revenue gains expected last spring did not materialize.

• Mr. Bush does not point out in his speeches that one major reason revenue dropped suddenly in the fiscal year ending June 30 was an unforeseen change in the behavior of taxpayers because of new federal laws on capital gains tax. This change also caused big budget problems in New York and California.

• The large deficit estimate that Mr. Bush attributed to "Massachusetts legislators" arises from an analysis by the state's Republicans. Many budget watchers view as optimistic the governor's estimate that revenue will increase by 8.5 percent this year, the percentage needed to produce a balanced budget. Many predict a budget deficit, but few place it at \$700 million.

Both Moody's Investors Service and the Standard & Poor's Corp. bond rating agencies, recently lent a show of support for the state's economy by reaffirming their high ratings of Massachusetts notes and bonds.

• Mr. Bush's speeches and campaign fact sheets offer confusing evidence to buttress his contention that Mr. Dukakis raised taxes five times. A speech on Sept. 15, for instance, asserted that Mr. Dukakis "tried" to raise taxes. Three paragraphs later, Mr. Bush said his opponent did raise taxes.

Frank T. Keefe, Mr. Dukakis's secretary of administration and finance, termed Mr. Bush's charge of five tax increases "ridiculous." He asserted that Mr. Dukakis went back on a campaign pledge against raising taxes in his first term and supported an income-tax surcharge because of the problems the governor inherited from a Republican predecessor.

• In July, the legislature passed a measure that is expected to raise

about \$180 million to help bolster 1989 revenue. Mr. Bush views this as an across-the-board tax increase. Mr. Dukakis sees it mostly as tax reform and loophole closing, where tax rates are not being changed. In fact, the measure has elements of both positions.

• The vice president said that Massachusetts has piled up \$7.4 billion in long-term debt during Mr. Dukakis's 10 years in office. Since June, he said, the state has been borrowing \$200 million every month in short-term notes to pay for daily expenses, "exactly the kind of last-ditch borrowing that got New York City into such trouble before it had to be bailed out by the federal government."

Experts were stunned by Mr. Bush's New York analogy. Short-term borrowing by states and municipalities is common, they said, and Massachusetts is not close to New York's level of fiscal chaos.

## THE HUSTINGS

### Turner Links Bush With Noriega

WASHINGTON (UPI) — Admiral Stansfield Turner, former director of the Central Intelligence Agency, said in an interview Friday that he had removed General Manuel Antonio Noriega from the CIA "payroll" because he was an "unscrupulous character," but that Vice President George Bush later reinstated him.

Admiral Turner made the comments in response to Mr. Bush's statements Sunday during the presidential debate that "seven administrations were dealing with Mr. Noriega," now facing federal indictments charging him with drug smuggling and money laundering.

Mr. Bush's campaign office had no immediate comment on Admiral Turner's remarks, but the vice president previously has said the Reagan administration deserves credit for the prosecution of General Noriega.

Admiral Turner declined to say how he knew that Mr. Bush reinstated General Noriega to the CIA payroll after becoming vice president, but said, "I can tell you I am very confident of that." Admiral Turner said that after Mr. Bush took office in 1981, he "met with Noriega and put him back on the payroll" as an intelligence source. Admiral Turner, who replaced Mr. Bush as CIA director in 1976 when Jimmy Carter became president, said, in referring to the period when the vice president was head of the CIA, "We all know that Bush met with Noriega, even though he was there only 11 months. And I will affirm that Bush had him on the payroll. I was there four years, and I never saw fit to see him or have him on the payroll. It just wasn't the case during the Carter administration."

### Bush Advocates Death For Slayers of Police

The Associated Press

PATERSON, New Jersey — Vice President George Bush received endorsements Friday from southern New Jersey law officers and told them that a criminal who kills a policeman should "pay with his life."

The Bush campaign hastily added an afternoon stop in Springfield, Massachusetts, where Mr. Bush expected to win the support of yet another police group in the home state of his rival, Governor Michael S. Dukakis.

"We should have much more sympathy for the victims of crime than we have for the criminals and that's the kind of judge I'll appoint to the federal bench," Mr. Bush said.

He criticized Massachusetts' prison furlough program again, and said Mr. Dukakis had a "basic revolving door program for murderers who have not even served enough time for parole."

Someone convicted of a drug-related murder or killing police officers, Mr. Bush said, "should pay with his life."

Mr. Bush's sentiments were echoed by those endorsing him Friday in New Jersey.

"Under a Bush administration, criminals won't get weekend furloughs so they can go out and commit more crimes," said Mike Adamo, president of the Paterson Policeman's Benevolent Association.

Mr. Bush praised Governor Thomas H. Kean for his work on environmental problems in New Jersey and assailed Mr. Dukakis on that issue.

"You try to drink the water out of Boston Harbor lately?" he asked. "Don't do it." He did not

### Dukakis Speaks in Texas

Mr. Dukakis on Friday assailed the Reagan administration's agriculture policies, telling farmers in Mr. Bush's adopted home state that the Republican candidate did not "see the pain in rural America."

The Associated Press reported from Idalou, Texas.

"My friends, Mr. Bush's farm policy can be summed up in just five words: 'The fewer farmers the better,'" the Democratic presidential nominee said. "And his rural development policy can be summed up in two words: 'Tough luck.'"

Mr. Dukakis, campaigning in a state that is crucial to his election chances, spoke before 1,000 people on the Ison family farm at Idalou.

He pledged to set aside \$100 million in a "Fund to Rebuild America" for business financing in rural communities and also pointed to his proposals for improving rural health care and increasing education aid.

### Bush Sought to Limit Inquiry of CIA

LOS ANGELES (UPI) — Mr. Bush secretly sought to restrict a Justice Department investigation of the Central Intelligence Agency when he was its director, the Los Angeles Times reported Friday. Mark Goodin, a Bush spokesman, had no comment on the report.

Newly released files from the Gerald R. Ford Presidential Library in Ann Arbor, Michigan, show that in 1976 Mr. Bush repeatedly tried to prevent documents from being declassified and CIA witnesses from being called before a federal grand jury.

The Los Angeles Times said Mr. Bush's actions were in direct contradiction to a public pledge by President Gerald R. Ford that his administration would not use the classification process or take any other action to prevent the exposure of illegal activities in the CIA.

At the time, the grand jury was investigating charges that officials working for or with the CIA, including the former CIA director, Richard Helms, had lied under oath to Congress about CIA operatives in Chile.

### Gallup Poll Gives Bush 5-Point Lead

NEW YORK (NYT) — A new Gallup Poll shows Vice President George Bush leading Governor Michael S. Dukakis. Most of those giving an opinion thought Mr. Dukakis had won Sunday's debate.

The survey of 1,020 registered voters, conducted Tuesday and Wednesday, found Mr. Bush leading Mr. Dukakis by 47 percent to 42 percent. A Gallup Poll in mid-September, before the debate, showed Mr. Bush leading 49 percent to 41 percent.

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# William Shannon, Writer, Is Dead

**New York Times Service**  
**NEW YORK** — William V. Shannon, 61, a journalist and author who was ambassador to Ireland in the Carter administration, died Tuesday of lymphoma at University Hospital in Boston.

Mr. Shannon, the son of an Irish immigrant, had spent more than a quarter of a century working for newspapers as a reporter, editorial writer and columnist when he was chosen by President Jimmy Carter in 1977 as envoy to Dublin. He had written "The American Irish," a history of Irish immigrants and their progeny in the United States that was published by Macmillan in 1964.

Before and after his diplomatic service, Mr. Shannon devoted himself to journalism and scholarship. He was a Washington correspondent for The New York Post from 1951 to 1964 and an editorial writer for The New York Times from 1964 until he went to Ireland.

When he returned from his ambassadorship in 1981 he joined the faculty of Boston University, teaching a course on the American presidency and conducting graduate seminars in journalism. He also wrote for The Boston Globe on foreign and domestic affairs.

# U.S. Researchers Discover 'Hidden' Heart Disease

**United Press International**  
**SAN FRANCISCO** — Some seemingly healthy people with high blood pressure suffer from hidden heart disease, researchers reported Friday, disclosing a finding that may help solve a mystery that has long puzzled doctors.

Physicians had wondered why long-term control of hypertension helps prevent stroke or kidney failure but apparently fails to reduce the increased risk of heart attack.

"Now it looks like some of these people already had silent heart disease before blood pressure treatment was started," said Dr. Julio Tubau, assistant professor of medicine at the University of California, San Francisco.

Using sensitive tests to detect ischemia — or inadequate blood flow — in coronary arteries, Dr. Tubau's research team found symptoms of disease in the heart vessels in four of 48 "apparently healthy people" with mild or moderate hypertension.

The findings were reported at the 42d scientific session of the American Heart Association Council for High Blood Pressure Research.



# Charles Addams, 76; Drew Ghoulish Family

**By Eric Pace**  
**New York Times Service**  
**NEW YORK** — Charles Addams, 76, the cartoonist whose macabre humor brought a touch of ghoulishness to The New Yorker magazine's glossy pages for five decades, died Thursday at a Manhattan hospital.

Mr. Addams' wife, Marilyn, said he had a heart attack Thursday morning in his automobile while it was parked in front of their apartment building.

"He's always been a car buff, so it was a nice way to go," she said.

A typical Addams cartoon was the one that showed a weird-looking man waiting outside a hospital delivery room with a nurse telling him, "Congratulations, it's a baby!"

Others depicted a Frankensteinian butler, a slinkily witchlike mother and other odd demizens of a haunted-looking Victorian house. In one 1946 drawing, the characters are up in their lower, about to greet Christmas carolers by dousing them with boiling oil.

The Addams cartoon household went on to reach an even broader public when it became the basis for "The Addams Family," the 1960s television comedy series, which was widely rebroadcast later.

# Barney Josephson, Club Owner, Dies

**By John S. Wilson**  
**New York Times Service**  
**NEW YORK** — Barney Josephson, 86, who brought down racial barriers as the owner of the legendary Cafe Society jazz club and who brought recognition to Billie Holiday, Teddy Wilson, Albert Hully and other jazz singers and musicians during nearly half a century of showmanship, died of gastrointestinal bleeding Thursday at a hospital here.

When Mr. Josephson opened Cafe Society in a basement room in Manhattan in December 1938, he changed a long-standing custom in American nightclubs.

"I wanted a club where blacks and whites worked together behind the footlights and sat together out front," he once said. "There wasn't, so far as I know, a place like it in New York or in the whole country."

Mr. Josephson was in his mid-30s and had had no experience in the nightclub or entertainment fields when he opened his Greenwich Village club. He had worked in shoe stores in Atlantic City and Trenton, New Jersey, where he was born in 1902, the youngest of six children, two years after his parents emigrated from Latvia.

Although from the earliest days of jazz, black musicians played for white audiences, few nightclubs permitted blacks and whites to mix in the audience. Even the famous Cotton Club in Harlem, where Duke Ellington, Lena Horne, and Cab Calloway made their names, was a segregated place, admitting only an occasional black celebrity to sit at an obscure table.

In 1938, Mr. Josephson's Cafe Society was the first nightclub in a white neighborhood to welcome customers of all races.

For the next decade, Cafe Society and Cafe Society Uptown, which Mr. Josephson opened two years later on East 58th Street, were consistent incubators of talent, producing a long list of singers, comedians, jazz musicians and dancers who came to prominence there.

They included Billie Holiday, who sang in the opening show at South Africa Hangs 7 In 5 Cases of Murder.

# AMERICAN TOPICS

## Working Mothers Try 'Sequencing'

"The trapped housewife was replaced by superwoman, who somehow managed to rear her children while catapulting ahead in a career," begins an article by Sara Rimer in The New York Times. "Now, with legions of superwomen worn out and discontented, a new model has been suggested for married professional women: 'the sequencer.' Some experts are already warning that the sequencer is just another doomed variation of women trying to do it all."

The sequencer establishes herself in a career, resigns to bring up her children and resumes work without giving up her role as a mother, possibly by taking a part-time job. But "while she might be willing to forgo the fast track, she is committed to preserving her professional identity."

Arlene Rossen Cardozo, a Minneapolis mother of three, coined the word in her book "Sequencing" (Atheneum, 1986), after interviewing 350 women. Sequencing, she contends, combines the best of feminism with the best of motherhood.

But some maintain that sequencing is an inadequate solution. Nancy Marshall of the Wellesley College Center for Research on Women says the real solution lies in providing enough flexibility in the workplace for men and for women to take time off for their children.

## Short Takes

The gas guzzlers are making a comeback, now that gasoline prices are stable or declining. The Environmental Protection Agency says more models than ever are paying the special tax on fuel-hungry cars. The automaker pays at least \$500 for each car getting less than 22.5 miles a gallon of gasoline (10.4 liters per 100 kilometers). This rises in increments to a maximum tax of \$3,850 for cars that get 12.5 miles a gallon or less. In 1986, the tax was levied on 18 car models sold in the United States, whether of foreign, American or combined origin. The figure rose to 24 models last year and 45 models this year.

Shooting a film in New York has its challenges, says Martin Bregman, a New Yorker himself, who is producing "Sea of Love" on location there. Bystanders popping flashbulbs can ruin a take during night shooting. The glare of passing radio boxes and the clutter of hovering traffic helicopters play havoc with the sound track. The "New York light," said Ronnie Taylor, director of photography, is "extremely difficult, thanks to the high contrast from brilliance to blackness on daylight streets." Mr. Bregman added that New Yorkers are blasé, taking the attitude, "I'd be before I'd make a fuss over a movie star."

Shorter Takes: Sam Ketcham, 72, organ grinder at the Lenox Square shopping mall since it opened in 1959 in Atlanta, has been semi packing, along with his monkeys. "We wanted to protect the upscale image," a mall spokesman said.

Artists in Half Moon Bay, California, calling the town's annual Art and Pumpkin Festival over-summerized, plan their own Squash Festival, which already is being called the "Squash the Pumpkin Festival."

Arthur Higbee



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INTERNATIONAL Herald Tribune

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UN: Praise and a Challenge

In awarding its Peace Prize to United Nations peacekeeping forces, the Nobel committee honors a brave and under-recognized multinational corps that has contributed strongly to containing violence in world trouble spots.

of Palestine Liberation Organization fighters from Jordan in 1970 and their gravitation to Lebanon added a volatile element, and led both Israel and Syria to consider Lebanon important to their security.

Out of Afghanistan, Faster

Nobody, and least of all the Kremlin, which pronounced Afghanistan a "bleeding wound" some two years ago, wants to halt or even slow the withdrawal of Soviet forces from Afghanistan.

could aid its Afghan clients as long as the other did. This understanding cuts sharply across the no-supply obligation that Pakistan, the principal conduit of American arms, formally undertook in the accord, and Moscow could not have been happy to have the Americans insist on it.

No Money for the Haitians

Haiti's latest president, Lieutenant General Prosper Avril, urges the United States to resume its aid to its impoverished country at last year's high level. There is a simple answer: The United States will increase its aid when Haiti begins to move, seriously and convincingly, toward elections.

One was a civilian installed by the army, and the other two — the second is General Avril — have been military officers. But the constitution is still in place and, though the government ignores it, still legally valid.

A Federal Role in Fluency

Concern about American international "competitiveness" has brought with it some overdue attention to Americans' notorious lack of foreign language ability. A group of educators met in Washington early last month to turn up the volume on this concern, which has obvious links to other much-bewailed educational shortcomings — geographic illiteracy, ignorance about world history and reluctance of the schools to work these subjects more fully into existing programs.

foreign language teaching in American schools, which is generally agreed to trail the world. Students rarely become fluent, and almost none, as adults, can remember the languages they studied in school. Some of the professional teachers' organizations have done good work on this problem, spurred by a stern 1979 report from a Carter commission on the subject.

Munich: The View From Across the Atlantic

By Francis L. Loewenheim

HOUSTON — The Munich crisis, which reached its climax 50 years ago, was not only a European event. It was a crisis in Atlantic history, in which America played an important, in some ways crucial, role.

Roosevelt's message was not solely the expression of passing relief that war had been averted. On Oct. 17, when the meaning of Munich should have been apparent for all to see, Roosevelt expressed his personal feeling in a letter to William Phillips, the U.S. ambassador in Rome and an old friend.

them to the Weimar Republic, not the Nazi who had destroyed it in 1933. Above all, by 1938 the democracies — the United States included — not only regretted the Great War, they regretted the peace that followed.

judgment made little difference. For the Munich crisis was not only a political confrontation with possibly horrendous military consequences. At bottom, Munich was the culmination of a battle of ideas.

The Germans had successfully persuaded the Western democracies that the Versailles peace settlement was immoral and intolerable, and that the Sudeten German boundary violated both the letter and the spirit of Woodrow Wilson's cherished idea of national self-determination.

speaking out for freedom he lost 15 years, then was thrown out of his country. It is critical, he writes, that pressure be applied now when Soviet economic chaos makes the Communist leadership achievable. He warns that if glasnost achieves Mr. Gorbachev's goal of creating a strong, stable economy, the leadership will respond to pressure by cutting short the whole program of reform.

Keep Pressing, Say Soviets Who Know

By A. M. Rosenthal

NEW YORK — By the end of this year, 53 more political prisoners will have been locked up in Soviet jails or psychiatric wards may be free men. Moscow has just promised that to the United States and delivered the names.

Some U.S. officials and academics worry that too much pressure at this juncture is still not enough to get the Soviet leadership to release Yuri Orlov, the Soviet physicist in the current issue of Commentary. For

This Nobel Is Easier To Applaud

By William Pfaff

PARIS — When Andrew Carnegie founded his Endowment for International Peace in 1910, he instructed its trustees that when war was discarded as disgraceful to civilized man, the trustees will please then consider what is the next most degrading evil or evils whose banishment would most advance the progress, elevation and happiness of man. It was an age of confidence.

Take the American laureates, for example. The first was Theodore Roosevelt, in 1906, for his mediation in the settlement of the Russo-Japanese War. Roosevelt's reputation, at least among Americans, was further assured by his Rough Riders charge up San Juan Hill during a "bully war" in Cuba than by the Portsmouth Treaty of September 1905.

1888: Diary Suspect Held

BERLIN — Prince Bismarck moves rapidly. Professor Geffcken, being known to be in Hamburg, was yesterday [Sept. 29] sought for there with papers of arrest as being the person who contributed the prince's Diary for publication. The Professor is a moderate Conservative, and as Bismarck, the publisher of the Rundschau, is a National Liberal, it seems impossible to connect the publication, as Prince Bismarck does, with an election manoeuvre on the part of the Radicals.

1913: Diesel Disappears

LONDON — Dr. Rudolf Diesel, the inventor of the Diesel oil engine, has disappeared in the most mysterious circumstances. Dr. Diesel embarked on the Great Eastern Railway steamer Dresden on Monday [Sept. 29] on the arrival of the vessel at Parkston quay, Harwich yesterday [Sept. 30], was missing. It is conjectured that Dr. Diesel fell overboard during the voyage.

No to Nuclear Power in Space

A Soviet satellite now orbiting the Earth is steadily losing altitude and is expected to re-enter the atmosphere soon. The satellite, Cosmos 1900, is powered by a nuclear reactor. When it re-enters, the reactor will break up and release its radioactivity.

There is apparently nothing that can be done about it now. But this is an opportune time to consider a ban on the use of nuclear power in orbit, as proposed by a group of Soviet and American scientists in the interests of both environmental protection and space arms control.



Is Bush in the Mainstream? Should He Keep Paddling?

By Tom Wicker

NEW YORK — George Herbert Walker Bush of Phillips Andover Academy and Yale University proclaimed in the first presidential candidate debate that he was "in touch with the mainstream of America." But Michael Dukakis, he insisted, is "out of the mainstream" because Mr. Dukakis has confessed to being "a card-carrying member of the ACLU."

And they would be confounded by such political realities as the close bond between the Hudson River and the Hudson River, or the fact that immigrants and their children can be and have been as atypical or under-meritocratic or criminal as anyone else.

100, 75 AND 50 YEARS AGO

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Japan's Impresario of New Art

By Michael Gibson
International Herald Tribune
TOKYO — Any way you look at it, the black, wooden barnlike structure in an open field two hours out of Tokyo, is a masterpiece. At once contemporary, it is still closely related to the Japanese wood building tradition of spare elegance and uncompromising perfection in detail.

each category represents about one-third of his collection. But these works are infrequently on view because of the museum's busy schedule of temporary shows. The current show (to Oct. 12) is devoted to paintings by Tomi Ohtake, a 74-year-old Brazilian painter of Japanese descent.

number of now prominent Japanese artists fled to Europe or America to escape from this subtle cultural smothering.

remain modest and avoid becoming a person with a 'strange taste.' But then he has some definite ideas about structural reform in his own country: 'I hope the government will decide to encourage the private sector to play the role of good art supporting institutions. After all, private persons are getting richer in Japan, so why not create conditions that will encourage them to do things themselves. Instead of buying outrageously expensive paintings, they should do more to encourage young artists.'



Architect Arata Isozaki's barnlike building outside Tokyo, the latest museum of contemporary art founded by Toshio Hara, inset.

Hara, 54, belongs to one of the country's old business families. At the beginning of the Meiji restoration, he says, his great-grandfather went to the United States and Europe to study international finance. He founded the Yokohama Specie Bank (now the Bank of Tokyo) and the Daihoku Bank (now Mitsubishi).

'Instead of buying expensive paintings, [wealthy individuals] should do more to encourage young artists.'

Hara does not protest if someone seems more concerned by the overall process of the art world than by any individual work or artist. 'I don't have any one artist,' he says, 'who made a deep impression on me and caused me to become a collector.'

Hara Museum of Contemporary Art (in Japanese, Hara Bijutsu-kan), 4-7-25 Kita-Shinagawa, Shinagawa-ku, Tokyo.

Hara prospered, but he began to feel that the formal kind of relationships suitable in business did not satisfy him. This, he says, is what first led him to art collecting. In the international art world he made a wide range of friends and acquaintances and found the satisfaction he sought.

Toshio Hara, art collector and museum founder.

On Wednesday, a press conference was held by Millon and his colleague Jean-Louis Picard, of the Ader-Picard-Tajan group, to launch a sale of 40 paintings by Bernard Buffet, all from his early period in the late 1940s and the early '50s, to be conducted by Millon in Tokyo on Dec. 7. This is a bold step because the Japanese auction market has so far proved a hard to crack.

Paris — The Paris auction scene is set for a drastic overhaul. The pressure of international competition and the rise of a new generation of auctioneers now in their 40s, typified by the current president of the Paris Company of Auctioneers, Joël-Marie Millon, are the main factors that are already beginning to change the play.

Paris Auction Scene Faces Drastic Change

terms to the vendor. 'Otherwise the deal would have been missed,' Picard said. What makes the deal a historic one is that the Paris Company of Auctioneers has for the first time signed an agreement with a commercial gallery — East-West — and delegated one of its members, better still its own president, Millon, to conduct an auction abroad. This is a 180-degree turnabout, much to be applauded. When Jacques Tajan held an auction in 1973, it evoked outrage. The Paris auctioneers' position was that an auctioneer holding an office within the geographical limits of his so-called 'residence' — the city of Paris, if he is a Paris auctioneer — had no right to conduct sales abroad.

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But there was a more cogent reason for selling in Japan, which neither Millon nor Picard cared to discuss publicly. The auction will be held outside France, it will not be burdened by French taxes. Buyers will not be paying the 7 percent tax levied by the government, aside from VAT, which forms part of the percentage on top of the hammer price at all French sales. Nor will the auctioneers have to pay 3 percent of the hammer price to the artist (or the heirs, up to 68 years and 120 days after the artist's death, as they must under French law).



Bernard Buffet's portrait of himself.

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There used to be quite a lot of buildings of this style in Tokyo, but most of the others have been torn down to make way for high-rise housing. I couldn't very well live in it myself — it was designed for the lifestyle of the good old days, when all such houses had numerous servants. But it occurred to me that as long as I intended to open a museum here in Tokyo, why not do so in this house. So I renovated the place, trying to preserve the original taste as far as possible. And now I find that it is quite popular because the architecture is unique.

There is also a deeply ingrained and specifically Japanese master-pupil relationship that has, in Hara's view, tended to hamper the artists in their development. A

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The Fading of Maxwell Anderson

By Mervyn Rothstein
New York Times Service
NEW YORK — Once upon a time there was a playwright named Maxwell Anderson. From 1924 to 1954, 19 of his plays wound up in Burns Mantle's annual 'Best Plays' books — two more than George S. Kaufman and seven more than Eugene O'Neill. He won a Pulitzer Prize in 1933 for 'Both Your Houses.'

names and say, 'Who's that?' The play had meaning in its time, but times change. 'But duration is the test,' Papp said, 'and it's too soon to tell. The nature of the time you're living in determines what's popular. There was even a period when O'Neill wasn't being produced, when people thought he was boring. But then someone comes along and pushes it, and people rediscover it.'

Anderson lived and where his first play was produced, in 1923. 'We've limited ourselves to O'Neill and Arthur Miller and Tennessee Williams. But there are many more. We had some good playwrights and some that touch greatness, and Max was one of them.'



Maxwell Anderson in 1926.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Is Mixed as Rally Fades

NEW YORK — Stock prices closed mixed Friday in moderate trading on the New York Stock Exchange after a pullback in the final hour robbed the market of a chance to extend substantial gains made in the previous session. The Dow Jones industrial average, which jumped 33.78 points Thursday, fell 6.40 to 2,112.91. For the week, the 30-stock index gained 22.23 points. Advances led declines by a 4-3 margin. Volume totaled about 175.8 million shares, compared with 155.8 million shares on Thursday. The Dow jumped nearly 17 points in early trading and held a nine-point gain entering the final hour of the session, before the fall accelerated. "The late selloff seemed to occur as the end-of-quarter buying came to a halt," said John Grovesman, head of equity trading at Ladenburg, Thalmann & Co. "We opened sharply higher on the momentum from Thursday," Mr. Grovesman said. "The bond market helped by the dramatic decline in oil prices, was in our favor. "But once we got up there, there appeared to be a little fear of heights," he said. "In addition, we did meet serious resistance at the 2,140 level. "The increased volume in the previous session appears to have cracked the malaise of recent weeks," said Gene Seagle, director of technical research at Gruntal & Co. "If Thursday doesn't turn out to be a one-day wonder, and we've had them before, we still have plenty of upside potential." Mr. Seagle said that the market's strength was "indicative of an attempt to 2,200," well beyond the post-collapse high of 2,158.61, set July 5. "We are starting to see the investment of some of the large amounts of cash that has been sidelined for so long," he said. "In addition, all of the important cylinders are hitting together — bonds, all of the averages." Broad-market indexes also slipped. The New York Stock Exchange index fell 0.21 to 153.57. Standard & Poor's index dropped 0.68 to 271.91. The price of an average share lost 5 cents. Illinois Power was the most active issue, off 1/4 to 20. Middle South Utilities followed, up 1/4 to 15. Boston Edison was third, up 1/4 to 16. AT&T slipped 1/4 to 26. IBM was unchanged at 115 1/4. Among other blue-chip stocks, General Electric was off 1/4 to 43 1/4, Merck was off 1/4 to 57 1/4, Procter & Gamble was up 1/4 to 80 and Coca-Cola was off 1/4 to 43 1/4. In the oil sector, Exxon was off 1/4 to 44 1/4, Mobil was off 1/4 to 42 1/4, Texaco was down 1/4 to 45 1/4, Chevron was down 1/4 to 43 1/4 and Pennzoil was up 1/4 to 74. Prices closed higher in slow trading on the American Stock Exchange. The Amex index rose 0.82 to 301.63. The price of an average share gained 3 cents. Advances led declines by a 3-2 margin. Volume totaled about 9.1 million shares, compared with 8.6 million shares Thursday. Texas Air led the Amex actives, gaining 1/4 to 13 1/4.

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ECONOMIC SCENE

Brady Used Baker's Script In IMF World Debt Talks

By LEONARD SILK New York Times Service

NEW YORK — The new U.S. Treasury secretary, Nicholas F. Brady, went to the West Berlin meetings of the International Monetary Fund and World Bank with a brief inherited from his predecessor, James A. Baker 3d, who is now running Vice President George Bush's presidential campaign.

In the midst of the election campaign, nobody expected Mr. Brady to abandon Mr. Baker's approach to solving the world debt problem. But neither did anyone expect so rigid and strident a response from Mr. Brady to the proposals of others.

The governor of Japan's central bank, Satoshi Sumita, presented a brief version of his country's long-awaited plan for relieving the debt burdens of the developing countries. The Japanese call their proposal the Miyazawa initiative, after Finance Minister, Kiichi Miyazawa, who first floated his ideas at the Toronto economic summit last June.

Mr. Miyazawa has sought to strengthen the role of the IMF in relieving the debt crisis while insuring the flows of capital to the debtor countries from both private and public sources. And he called for a "menu" approach that would stay within the broad principles supported by the United States, offering a range of choices, case by case, for debtors and creditors.

Mr. Sumita went to Berlin prepared to present the Miyazawa initiative in detail, but the Americans urged the Japanese not to do so, and they agreed.

Even so, the sketchy version presented by Mr. Sumita drew from Mr. Brady the statement that the United States "regards with skepticism proposals that may appear to conform to the basic principles of the debt strategy, but which in practice only produce an illusion of progress."

The strategy he was referring to was of course the Baker plan, named for the former Treasury secretary. That plan, first presented in Seoul in 1985, called for \$20 billion in new money from commercial banks for 15 major developing countries.

BUT LITTLE of that money has been forthcoming, and in the last two years those countries paid foreign creditors \$76 billion in interest alone.

James D. Robinson 3d, chairman of American Express Co., maintained that the next president will find "a remarkable degree of consensus" among bankers and economists that the debt burden has crippled economic development and investment in the Third World.

The debt problem, he said, has become "a socioeconomic problem, a trade problem, a jobs problem, and a geopolitical problem."

Further, he said, there is growing consensus that the current approach to the world debt problem lacks adequate resources: The commercial banks are "out of gas" for the Third World, whose debts now total \$1.2 trillion.

The Reagan administration is against replacing private with public money. With its own budget deficit and foreign debts, the United States is in a difficult position to rescue foreign debtors and domestic creditors.

But if the United States hopes to retain its leadership role in the world, it will have to do two things: work with others to develop the resources required to hold the world economy together and face up to the urgency of fiscal actions to repair its own heavily indebted position, at home and abroad.

Neither Mr. Brady nor Mr. Bush may want to address these problems in the midst of the election campaign. But these are problems that the next president will have to tackle.

The U.S. urged the Japanese not to present their own plan in detail, and they agreed.

Paper Chase: Maxwell's Pursuit of the Big Time

By Warren Getler International Herald Tribune

PARIS — Robert Maxwell, already a 220-pound bear of a man with deep pockets and undeniable financial clout, is determined to be a heavyweight among the world's media lords. So far, he conceded in an interview Friday, the goal has eluded him.

"In pounds weight, I'm the heaviest publisher," the chairman of Maxwell Communication Corp. quipped during a 90-minute helicopter and jet flight from his London headquarters to the Le Bourget airport near Paris. "Ask me in 1990, where I stand in rank," in terms of publishing revenue and profitability, he said.

Mr. Maxwell also said during the flight that he has acquired a stake of just under 5 percent in Bouygues SA, the huge French construction concern whose stock has been under siege on the Paris Bourse since Wednesday. The family-owned Bouygues controls TF1, France's popular television station that is partly owned by Mr. Maxwell.

Citing the need to support the Bouygues family and to fend off any attempt by an unwarranted party to wrest control of TF1, Mr. Maxwell said his purchase of a stake in Bouygues was purely defensive.

He also contended that his proposed new daily newspaper, to be called The European, has a circulation potential of 600,000 copies a day, half of which will be in Britain. Mr. Maxwell announced his plans for The European earlier this year.

In the course of a generally relaxed interview, Mr. Maxwell, whose publishing interests include Britain's mass-circulation newspaper, the Daily Mirror, bridled at a question addressing the reputation he has gained in some circles for being incapable of concluding many of his proposed deals.

The reputation for lack of follow-through has dogged him in many quarters since he folded The London Daily News within months of the launch of the newspaper in late 1986, and was sharpened by his inability to land Harcourt, Brace Jovanovich Inc., the big U.S. pub-

lishing group, despite having made an informal \$2 billion offer for the company.

"They're talking garbage," he said of his critics, showing a flash of anger. "The charge is wholly untrue."

Noting that he did not even have a formal tender offer on the table for Harcourt, Mr. Maxwell said that "The only reason we didn't win" was that the U.S. courts ruled that their poison-pill defense was valid before I could put in a bid."

But now, with a \$2.51 billion offer on the table in a hotly contested bid for Macmillan Inc., Mr. Maxwell again finds himself in the role of the unwanted pursuer, the unwilling, again dogged by the shadowy danger of not quite being able to pull it off.

"We're in it to win it," he insisted Friday, asserting that Macmillan's board had a fiduciary duty to its shareholders to evaluate his bid on its merits. "Mine is an all-cash deal, and money doesn't smell."

Mr. Maxwell was sanguine about his ability to finance a Macmillan takeover, which would transform his company into one of the largest publishing concerns in the United States and bring it close to its goal of having consolidated revenue of £3 billion (\$5 billion) annually by 1990.

The bulk of the takeover cost will be financed through two credit lines, totaling \$2.2 billion from Credit Lyonnais, the French clearing bank and Samuel Montague, the British merchant bank.

The recourse to debt financing marks a significant break from past practice of cash and equity financing at expansion-oriented Maxwell Communication.

"Our taking on this debt is a normal, prudent step and is easily dealt with," he said.



Robert Maxwell

Japan's Surplus In Wide Trade Measure Falls

Compiled by Our Staff From Dispatches

TOKYO — The Japanese current-account surplus shrank 7.5 percent from a year earlier to \$4.99 billion in August, but the nation's merchandise trade surplus widened for the second consecutive month, the Finance Ministry said Friday.

The smaller surplus in the current account, which measures trade in merchandise as well as invisible items like services, compares with almost \$5.40 billion in August last year and \$6.48 billion in July.

Economists said the current-account surplus continued to drop because of heavy spending by Japanese tourists abroad.

They said the surplus may grow in September because fewer people are expected to travel, while exports are firming and import growth is slowing. But the economists said they were not worried.

"September's surplus may be high, but the overall trend is down," said David Gerstenhaber, an economist at Morgan Stanley International in Tokyo.

The trade surplus widened 2.6 percent from a year earlier to \$6.34 billion, even though imports reached a record high. Imports jumped 27.9 percent to \$14.07 billion in August, but the increase was outpaced by the growth in exports, which increased 18.8 percent to almost \$20.42 billion.

Car exports slackened during the period, but shipments of office equipment, semiconductors and imports of non-ferrous metals, steel and textiles increased, the official said.

But the nation's economic technocrats and its business leaders are already preparing for economic and political shifts.

Businessmen are trying to cope with a strong currency, the need to diversify export markets and a labor movement freed from government repression.

Technocrats are battling the American trade pressure, inflation, demands for social programs and new political constraints on economic policy-making.

"Workers and farmers are demanding a higher price for their products," said a government spokesman.

Hurt by labor unrest, a 10 percent appreciation of its currency and an inflation rate hovering around 5 percent, South Korea saw its economic growth rate slow in the second quarter to 9.1 percent from its breathless first-quarter rate of 14.9 percent.

Yet both the government's Economic Planning Board and the private Federation of Korean Industry to brush away concerns that Korea will fall into a post-Olympic recession.

"Exports will still be up 18 percent — they just may not be up 25 percent," said Sean Goldrick, chief representative of the British securities firm Hoare Govett.

"Every country should be in such a predicament," he added.

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Tokyo Investors Active Abroad: Buying Wanes

By Our Staff From Dispatches

TOKYO — Gross purchases and sales of foreign stocks by Japanese investors remained at high levels in August, although net buying fell sharply, a Finance Ministry official said.

Net buying of foreign bonds by Japanese fell sharply.

Gross purchases of foreign stocks by Japanese totaled \$9.90 billion in August, the second highest level after \$11.49 billion in July. Gross sales of foreign stocks in the month totaled \$9.34 billion.

The net buying of foreign stocks by Japanese investors in August fell to \$552 million from \$941 million in July, the ministry figures show.

Net foreign bond purchases by Japanese totaled \$8.39 billion last month, down sharply from a record \$14.02 billion in July. Gross purchases of foreign bonds by Japanese were \$121.15 billion in August, up from \$116.29 billion in July, while gross sales rose to \$112.76 billion from \$102.27 billion.

\$12.80 billion, from \$1.13 billion in August last year. It was lower, however, than the \$18.41 billion in July, the ministry said.

The basic balance of payments suffered a deficit of \$7.82 billion, compared with a surplus of \$4.26 billion a year earlier.

The overall balance of payments, which includes the basic balance, errors and omissions and the short-term capital account, registered a deficit of \$5.57 billion. That compared with a surplus of \$9.29 billion a year ago.

Meanwhile, the government released several pieces of economic and employment data Friday.

The Management and Coordination Agency said consumer prices rose 0.3 percent in August from the previous month, and they rose 0.7 percent from a year earlier.

The year-on-year gain marked the 15th consecutive monthly increase.

In July, prices declined 0.2 percent from the prior month, but increased 0.5 percent from a year earlier.

The August month-on-month rise mainly reflected an increase in prices of vegetables due to bad weather, an official said.

The agency also announced that Japan's seasonally adjusted unemployment rate rose to 2.6 percent in August from 2.5 percent the previous month.

(AP, Reuters)

Inter-Con Deal Is Clinched

£1.35 Billion Tag Is Below Target

Compiled by Our Staff From Dispatches

LONDON — Grand Metropolitan PLC, the British food, beverages and hotels group, said Friday it has sold its Inter-Continental Hotels chain to Saison Group of Japan for £1.35 billion (\$2.27 billion) in cash.

The deal, announced by Grand Metropolitan, would bring it a net profit of £1.2 billion. But the price fell short of the £1.5 billion the group had hoped to obtain. Grand Metropolitan stock fell 10 pence to 494 pence on the London Stock Exchange on Friday.

Acquisition of the chain, which operates 100 hotels in 47 countries, catapults the privately held Japanese group into the big league of international hotel operators. Inter-Continental's sales last year, the company said, totaled £332.6 million.

More important than Inter-Continental's trading value, analysts said, was the strategic attraction of its real estate: prime hotels, mostly on key central-city sites.

Inter-Continental is expected to post record profit this year and there has been widespread speculation that Grand Met was selling it off to finance a major acquisition in the food and drinks sector.

Observers said that a major British or U.S.-based group would be the target. Cadbury Schweppes PLC has attracted speculation.

Saison Group, part of the Seibu Seison retailing and finance conglomerate, was among 28 bidders for the hotel chain. The company had sales of almost \$11 billion in 1986. Seiji Tsutsumi, its chairman, moved into the hotel business last year with the new 80-room Hotel Seijo Ginza in Tokyo.

Seibu Seison is understood to have bought the Marriott Corp., whose partners are believed to have been the Robert M. Bass Group, Scandinavian Airlines Systems and VMS Realty Partners, a Chicago real estate concern.

Besides its supermarkets and department stores, Seibu Seison sells insurance, operates Bennett clothing shops and Dunkin' Donuts restaurants, handles Jaguar cars, runs real estate and travel agencies, and produces a variety of foods from orange juice to tofu. Nearly 5 million people use its credit cards.

In London, Japanese securities analysts said that the acquisition appeared a logical expansion move by Mr. Tsutsumi, who has sought ways to diversify without offending his brother Yoshiaki, who owns several Japanese hotels.

Insiders described Seiji Tsutsumi as a brilliant operator who has carefully identified possibilities to expand his vast empire and as having the financial muscle to bid for Inter-Continental on his own.

Grand Met, which bought Inter-Continental from Pan Am Corp. of the United States for \$500 million in 1981, said that the deal would give it an opportunity to build its activities in Asia through joint ventures with Saison.

The chief executive of Grand Met, Allan Sheppard, said the deal marked "a further step in making a reality of our desire to have a significant presence in Japan and the Far East." (AP, NYT, Reuters)



As Seoul, left, continues to enjoy an economic boom, labor is pressing for greater rewards. A worker, top right, in the Gura clothing factory, and another assembling a computer for Hyundai.

Asian Star Strives to Avoid Slump

Seoul Braces for Economic Challenges After Olympics

By Susan Chira New York Times Service

SEOUL — During these weeks of Olympic pageant, South Korea is parading its extraordinary economic accomplishments to the world:

• A 12 percent increase in gross national product last year.

• Exports of everything from cars to semiconductors.

• A work force that puts in 57-hour weeks.

Yet this very success is posing challenges that will confront the nation long after the Summer Games in Seoul are over.

With the gap widening in South Korea between haves and have-nots, workers are pressing for a fairer distribution of prosperity's rewards.

The astonishing growth of the last two years, the successful strikes for higher wages and the increased agricultural prices the government paid to woo rural supporters have spawned inflation and sharpened fears of a post-Olympic slowdown.

South Korea's exporting prowess has prompted U.S. pressure to open its domestic markets at the very time that a freer political system is forcing the government to heed angry public protests against doing so.

Hurt by labor unrest, a 10 percent appreciation of its currency and an inflation rate hovering around 5 percent, South Korea saw its economic growth rate slow in the second quarter to 9.1 percent from its breathless first-quarter rate of 14.9 percent.

Yet both the government's Economic Planning Board and the private Federation of Korean Industry to brush away concerns that Korea will fall into a post-Olympic recession.

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Currency Rates

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U.S. Index for August Portrays Robust Economy

Compiled by Our Staff From Dispatches

WASHINGTON — The government said Friday that the U.S. index of leading indicators rose by 0.4 percent in August, a moderate advance but above many economists' expectations, which suggests that the economy continues to expand at a robust clip.

The August gain in the chief forecasting gauge of future economic activity was aided by increases in manufacturers' orders for consumer goods and orders for plant and equipment. The latest report was taken as further evidence that some analysts may have been premature in reading signs of an economic slowdown in August.

"It shows the economy is in fine shape," said Joseph Carson, economist at Chemical Bank. "The economy is being driven by the manufacturing sector, as we've seen for some time, and that points to strength ahead."

But some analysts cautioned against drawing firm conclusions from a single month's figures. The index, compiled by the Commerce Department, is designed to predict economic activity six to nine months in advance.

In July, Friday's report said, the index dropped 0.5 percent after shooting up 1.5 percent in June, the best advance in 18 months. The July dip had earlier been calculated at 0.8 percent and the June gain at 1.4 percent.

Treasury bond prices eased 1/4 of a point after the report but quickly recovered. The U.S. stock market and the dollar showed little reaction, expecting the number to have little impact on American monetary policy, economists said.

Five of the available nine components of the index contributed to the increase in August, while four detracted from it.

The biggest boosts came from a drop in average weekly claims for state unemployment benefits from 325,000 in July to 298,000 in August. A rise in orders for manufactured consumer goods, from \$85.2 billion to \$89.3 billion last month, also was a big plus.

Together, these two categories accounted for two-thirds of the positive activity. Also adding to the

Interest Rates

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BUSINESS ROUNDUP

Sun Life Shares Soar on UAP Buying

LONDON — Shares of Britain's Sun Life Assurance Group rose sharply Friday after a French insurance group, Union des Assurances de Paris, acquired more than 6 million shares of the company. However, UAP said it did not intend to launch a takeover bid.

UAP said in a statement issued in Paris that it had acquired 6.31 million shares, or 10.7 percent of Sun Life's share capital, through Baring Brothers & Co. It said the shares had been purchased in agreement with Sun Life. Some dealers speculated that UAP might be building its stake so as to be in a better position if the alliance terms are renegotiated at a future date.

The vote on the proposed alliance, which also would have given Sun Life a 15 percent stake in UAP, was taken on Thursday, at a general meeting of shareholders. The announcement of the result was delayed by Transatlantic Holdings PLC, the South African group that holds a 28 percent stake in Sun Life. Transatlantic demanded an exact tally of the results. It had announced earlier it would vote against the proposal, objecting that the aim of the alliance was to dilute its stake.

Bouygues Stock Turns Down On View of Sturdy Defense

PARIS — Shares in Bouygues SA plunged Friday on the Paris bourse after streaking upward earlier in the week. They reversed course on speculation that the French construction company and friendly investors had acquired enough stock to fend off potential raiders.

Bouygues issued a statement saying its chairman, Francis Bouygues, and his allies control 45 percent of the voting rights. Bouygues said two allies, Crédit Lyonnais and Compagnie Financière de Suez, have reaffirmed their loyalty in recent days, but did not specify how this was done. Analysts have suggested that the moves were prompted by speculation that a raider was stalking the company.

Jardine Reports 38% Increase in Profit

HONG KONG — Jardine Matheson Holdings Ltd. said Friday its after-tax profit in the first half rose 38 percent from a year earlier, to 450 million Hong Kong dollars (\$57.6 million). The results were above analysts' expectations of net profit between 410 million and 440 million dollars. The company's board declared an interim dividend of 17 Hong Kong cents per share, up 36 percent from the first half of 1987, a Jardine statement said. The concern reported revenue of 6.08 billion Hong Kong dollars for the half, up 9.7 percent from 5.54 billion dollars in the year-earlier period.

Jardine Matheson also said it had increased its stake in Jardine Strategic Holdings Ltd., its investment arm, to 55 percent from 46 percent through market purchases. Jardine Matheson said the move was in line with Jardine Strategic's previously announced increases of holdings in major subsidiaries, including an increase in its stake in Mandarin Oriental International Ltd., a hotel group, to 43 percent from 35 percent, and an increase in Hong Kong Land Co. to 33 percent from 26 percent.

Montedison Net Climbed 53% The Associated Press MILAN — Montedison SPA, the giant Italian chemical concern, reported on Friday that its consolidated net profit in the first half climbed 53 percent from a year earlier to 300 billion lire (\$213.9 million). Montedison also reported that consolidated group revenue increased by 33.8 percent, to 6.89 trillion lire in the period ending June 30. Net financial indebtedness was reduced to 7.3 trillion lire from 7.8 trillion lire a year earlier. The private company, which is controlled by the Ferruzzi family, said the market value gain came from improved business activity, higher margins in the industry and inclusion of Himont Inc., Montedison's 80 percent-owned U.S. pharmaceuticals unit.

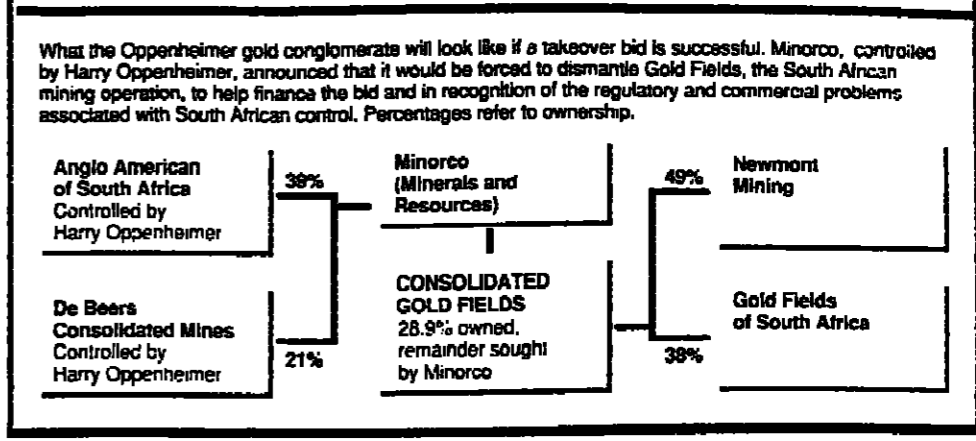
Porsche AG Names Briton To Head U.S. Subsidiary

STUTTGART — The luxury sports car manufacturer, Porsche AG, said Friday it has appointed a British-born advertising executive, Brian Bowler, as the new president of its U.S. subsidiary beginning Dec. 1. A company statement said Mr. Bowler, 50, would replace John A. Cook, who resigned in mid-September from Porsche Cars North America Inc., based in Reno, Nevada. The executive vice president of sales and marketing, James J. Ryan, also resigned. After the departure of the two executives, a Porsche spokesman said the moves were linked to the drastic decline in Porsche's U.S. sales in recent years and that a new person was needed at the top to implement a fresh sales strategy. A Porsche spokeswoman said Friday that a replacement for Mr. Ryan had not yet been found. Mr. Bowler is currently president of a branch of the advertising agency Doyle Dane Bernbach Needham Worldwide in Detroit, the automobile capital of the United States. He is also on Doyle Dane's managing board. Before joining Doyle Dane, Mr. Bowler was responsible for sales and marketing at the British importer of Volkswagen AG and Audi cars. Mr. Cook, at the time of his departure from Porsche North America, said in an interview that he was stepping down because he disagreed with a decision by Porsche to eliminate Mr. Ryan's position. Mr. Cook had headed the subsidiary since its inception in 1984.

Merging Banks in Spain Said to Plan Stock Offering

MADRID — Banco de Bilbao Vizcaya is to make a public stock offering in Europe and the United States worth about \$350 million, financial sources said Friday in London. They said the offering, to be drawn from the bank's treasury stock, would be made in two parts. Salomon Brothers Inc. is to be the lead manager of the European offering, which will be co-led by Goldman Sachs & Co., the sources said. In the United States, the said, Goldman Sachs would be the lead manager and Salomon Brothers the co-leader. The shareholders of Banco de Bilbao and Banco de Vizcaya approved a merger three months ago between the two banks to form Banco de Bilbao Vizcaya. The merged bank would be the largest in Spain. "All the shares will be coming from the treasury stock," a source said, adding, "All international issues of Spanish stocks are in the form of secondary share offerings because of problems with subscription rights." Foreign investors have limited ability to own Spanish stocks. The sources said that the market capitalization of the merged bank was approximately \$5 billion. They said that the U.S. offering, to be handled exclusively by Goldman and Salomon, would be in the form of a registered issue of American depositary receipts. Shares in Banco Bilbao Vizcaya are to start trading in Madrid next week, pending formal completion of the merger over the weekend. Holders of stock in either bank are to receive shares of the merged bank, with the exchange on a one-for-one basis.

A Bid to Expand a Mining Empire



Sale of Gold Fields Interests Seen

JOHANNESBURG — The hostile £2 billion (\$3.4 billion) bid by the overseas arm of the South African Oppenheimer family dynasty for London-based Consolidated Gold Fields PLC could lead to the biggest divestment yet in South Africa, brokers and investment analysts here said. Under the terms of the offer made last Wednesday, Minerals & Resources Corp., the Luxembourg-based arm of the Oppenheimer-owned Anglo-American Corp., would sell Consolidated Gold Fields' South African interests, which are valued at \$1.2 billion. The bid values all of Consolidated Gold Fields' major South African holding in its 38 percent stake in Gold Fields of South Africa. The sale of that stake for \$740 million would make the deal

successful, it would also result in a company almost twice Minorco's current size. Oppenheimer companies — which fall under the umbrella of Anglo-American and its diamond-mining wing, De Beers Consolidated Mines Ltd. — are vigorously opposed to divestment as a means of persuading the South African government to abandon its apartheid policies. But the newly appointed chief executive of Minorco, Sir Michael Edwards, who was born in South Africa and is based in London, made it clear when announcing the deal that Minorco would shed its South African interests as a deliberate political act. By announcing in advance that it would sell Consolidated Gold Fields' South African interests, Anglo-American has apparently tried to defuse opposition to the deal by opponents of apartheid.

more than twice the size of a \$300 million investment by Standard Chartered of London in August 1987, the biggest such move to date. The most likely buyer of the Afrikaaner-owned industrial conglomerate Rembrandt, which has the first option on it. Unless Rembrandt, which has a huge overseas arm known as Compagnie Financière Richemont, were to pay for Gold Fields with its foreign assets, a move regarded as unlikely by brokers, it would have to finance the deal with the financial rand. That is the discounted currency used to enforce stringent exchange-control laws in South Africa. Economists predicted that such a large outflow of financial funds would exert a severe downward pressure on the currency. If the bid by Minerals & Resources, known as Minorco, were

Drexel Appeals to Remove Judge in U.S. Case Against It

NEW YORK — Lawyers for Drexel Burnham Lambert Inc. sought help Friday from a U.S. appeals court to remove the judge presiding over the securities fraud case against it, according to court papers. The investment banking firm has asked Judge Milton Pollack to remove himself from the suit, filed by the U.S. Securities and Exchange Commission in early September. Lawyers for Drexel contended there were conflicts of interest involving his wife's family business, which has dealings with Drexel. Judge Pollack has scheduled a hearing on the motion to remove him for Oct. 11, but meanwhile has issued orders involving pretrial discovery in the wide-ranging U.S.

case that involves allegations of insider trading. On Friday, lawyers for Drexel asked the U.S. Court of Appeals for the second circuit in Manhattan for an expedited hearing on its motion to remove Judge Pollack. Peter Fleming, an attorney for Drexel, said in an affidavit that Moselle Pollack, the judge's wife, owns or controls a substantial share of a family-owned company in Texas that will receive about \$30 million in a leveraged buyout. Drexel is helping to arrange financing for the buyout of the company, Palais Royale of Houston Inc. He asked the appeals court to either direct Judge Pollack to remove himself, or to vacate the judge's prior rulings.

Sanofi Buys Laboratory

PARIS — Sanofi SA, a subsidiary of Societe Nationale Elf Aquitaine, has signed an agreement with Erbamont NV to buy Kallestad Laboratories for \$72 million. Sanofi chairman Jean François Dehecq announced Friday. Erbamont is a unit of the Montedison SPA chemicals group of Italy. Mr. Dehecq said that the laboratory unit, headquartered in Austin, Texas, expects sales of almost \$40 million this year.

MAXWELL: Publishing Magnate Rebuffs Critics and Outlines His Plans

Neither Macmillan's board nor the Kohlberg, Kravis team had responded to Mr. Maxwell's latest offer by late Friday. "This \$90 bid has turned the table rather more in his favor," said Catherine Penny, publishing analyst with stockbrokers Phillips & Drew. "It now looks like he has a chance to get Macmillan, which we didn't expect at the beginning. Anything higher than \$90 a share is getting expensive."

His purchase of Bouygues shares this week, Mr. Maxwell said, was to protect his 13 percent stake in TFI. "I'm not interested in cement or road building," he said. The shares of Bouygues rose dramatically on the Paris bourse earlier this week in what analysts characterized as a silent battle for control of the company. "I'm concerned that nobody should acquire Bouygues as a way of acquiring TFI," Mr. Maxwell said. "I have assured Mr. [Francis] Bouygues of my support and have acquired a stake of less than 5 percent in the company."

The portly press mogul has grand designs on becoming one of the world's publishing heavyweights, and he sees the takeover offer for Macmillan as a launch pad toward that status. The European, his new Paris-and-London based daily newspaper, which is to be launched Jan. 1. Although he did not elaborate, Mr. Maxwell vowed to invest "however much is needed" to ensure the success of the paper, despite his earlier failure with the Daily News. One factor that may complicate Mr. Maxwell's expansion drive is investor uncertainty about a Liech-

tenstein-based trust, the Pergamon Holding Foundation, which has been involved in some of Mr. Maxwell's major fundraising efforts. Until recently, the foundation held a majority 52-percent stake in Maxwell Communication. The secretive trust, whose ultimate beneficiaries and financial status are protected from public scrutiny by Liechtenstein's corporate secrecy laws, was cited by Harcourt as a reason to reject any advance from Mr. Maxwell. Thus far, Pergamon Holding has not been raised as an issue in the bidding for Macmillan. Before launching his bid, Mr. Maxwell purchased a 22.15 percent stake in Maxwell Communication from Pergamon, leaving the trust with a clear minority stake in the investment concern. "The issue has not come up in my Macmillan offer, and I can tell you that the only beneficiaries of the trust are charities," Mr. Maxwell said of Pergamon. The trust controls 100 percent of the Mirror Group newspapers in Britain.

MAXWELL: Publishing Magnate Rebuffs Critics and Outlines His Plans (Continued from first finance page) said. "It will be liquidated by disposal of Maxwell Communication Corp. assets, not by disposals at Macmillan." The debt burden, he said, will not dilute earnings at Maxwell Communication this year because the debt will not be consolidated under the group's balance sheet for some time. It will remain with Mills Acquisition Co., a U.S. vehicle established by Maxwell specifically to spearhead the Macmillan bid. "Mr. Maxwell said he was confident that his bid for Macmillan would win on its merits. In between a sip of rosé wine and a handful of strawberries, he said: "I'm quietly confident. My paper told me never to sell the bear skin before you've shot the bear." He said he was interested in acquiring Macmillan whole because "it fits like a glove," and that his alternative proposal to acquire four divisions of Macmillan for \$900 million was of secondary importance. According to an increasing number of analysts, such spate work and persistence may mark a sea change that could lead to his prevailing in the battle for Macmillan. "One must not underestimate Maxwell's desire to win," said Derek Terrington of Phillips & Drew stockbrokers, one of London's leading publishing analysts. "He's willing to borrow as much as he can from banks to finance the deal." Mr. Maxwell has long criticized his archrival, Australian-born Rupert Murdoch, for carrying a mountain of debt in his pursuit of a global media empire. Mr. Murdoch, who recently agreed to acquire Triangle Publications Inc. for \$3 billion, typically financed his highly-leveraged acquisitions by disposing of non-core assets of his target companies. "Terry Connor, publishing analyst with James Capel & Co., noted, "Now Maxwell's own shareholders can ask him 'Aren't you guys up to your eyeballs in debt?'"

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CURRENCY MARKETS

Dollar Falls on Bearish Oil Reports

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell Friday following remarks by the Secretary General of the Organization of Petroleum Exporting Countries that oil prices could drop as low as \$5 a barrel if Saudi Arabia boosts output.

Traders also blamed the dollar's weakness on comments by a Federal Reserve Board member, Marsha Seger, that a higher dollar would hamper the expansion of the U.S. economy.

The comments by Subroto, the head of OPEC, caught traders by surprise amid further weakness in world oil prices and depressed the dollar. The gold price also fell: the spot contract on the New York Commodity Exchange closed at \$394.40 an ounce, down from \$396.80 on Thursday.

"The dollar is in trouble when the price of oil goes down because the demand for dollars goes down," said Françoise Soares-Kemp, a vice president in the treasury division of Credit Suisse. The OPEC report "afforded an opportunity to take

London Dollar Rates

Table with columns: Currency, Bid, Ask, and other market data for London Dollar Rates.

profits at the end of the month."

The dollar dropped to 1.8690 Deutsche marks at the close in New York, from Thursday's 1.8828 DM, and it slipped to 133.750 yen from 134.425. The dollar also eased to 1.5835 Swiss francs from 1.5940 and to 6.3635 French francs from 6.4055.

The British pound rose to \$1.6925 from Thursday's \$1.6820, reflecting mainly the weakness of the dollar.

In London earlier, the dollar finished lower after dropping sharply just before the close of European trading, dealers said.

The dollar fell to 1.8730 Deutsche marks at the close in London, from 1.8822 DM on Thursday, while it dipped to 133.925 yen from 134.350 and to 1.5825 Swiss francs from 1.5935.

The pound rallied to \$1.6905 against the weakening dollar, from Thursday's \$1.6825. Against the French franc, the dollar slipped to 6.3700 from 6.4035.

One British dealer said the fall on the Fed report was a temporary drop. "Next week, the rates should drag themselves back up to where they were before," he said.

But Tim Fox, currency analyst at Barclays Bank, said, "Central banks seem to have effectively capped the dollar. I feel the market might well want to test the downside next week."

Sterling, though firmer against the dollar, was easier against other major currencies. The pound rose to 75.9 on its trade-weighted index from Thursday's 75.8, but it fell against several European currencies as oil prices slumped.

Foreign Firms Given Primary Status by Fed

New York Times Service

NEW YORK — The Federal Reserve Bank of New York has named a Japanese securities firm and a British one as primary dealers, a status that allows them to deal directly with the central bank.

The two, named Thursday, are Yamaichi International (America) Inc., a division of the Yamaichi Securities Co. of Tokyo, and County Natwest Government Securities Inc., a division of the National Westminster Bank PLC of Britain.

The selection of Yamaichi follows a Japanese decision, under pressure from the United States, to allow foreign firms greater participation in the Japanese bond market.

The new rules were announced in Tokyo earlier this month. The Fed now recognizes 46 primary dealers, 15 of them foreign-owned.

Japan Sounds Alarm on Bulge in Capital Outlays

By Patrick L. Smith International Herald Tribune

TOKYO — The Bank of Japan warned Friday that increased capital spending by Japanese manufacturers would create new inflationary pressures in the economy and put the nation's vigorous performance this year at risk.

Economists described the central bank's report on the pace of fixed investment as its strongest statement to date that a slowdown in capital commitments by domestic manufacturers was necessary to sustain growth into next year.

There has been increasing concern among government and private economists in recent months that the current strength of the economy is unsustainable and would eventually force the Bank of Japan to combat inflation by raising interest rates.

Capital investment and individual spending emerged in mid-1987 as the two engines of Japan's current economic growth, which is based on increased domestic consumption and a reduced dependence on exports. Sustained growth along these lines is viewed as essential to the readjustment of global trade imbalances.

Spending on new plant and equipment is currently increasing at an annual rate of 25 percent, according to central bank officials. Its share of gross national product, the sum of a nation's output of goods and services, reached 20 percent in the year to last March, its highest level since 1970.

In its report, the bank indicated that most new commitments by industry were aimed at structural shifts away from export production, streamlining manufacturing processes and the development of high-technology products. But roughly one-third of new investment this year is intended to expand production capacity.

In the short run, bank officials said, the effect of excessive investment of all types would be to create too much demand in the economy, thus spurring an inflationary spiral. Longer term, the addition of new capacity would risk the deflationary effects of overcapacity.

"We consider the present investment cycle to be entirely stable," said Akira Nambara, head of research at the Bank of Japan. "But if there are further increases in spending, the dangers are clear."

A number of private-sector economists have

begun warning of these trends in recent months. Some have said a significant slowdown in the economy is likely to become evident in early 1989.

The Finance Ministry reported Friday that the consumer price index rose 0.5 percent in August, or 6.2 percent at an annualized rate, its sharpest advance since mid-1985.

'Proper' Yen Level Seen

Satoshi Sumita, governor of the Bank of Japan, said that the yen will stay at a proper level as a matter of course, Reuters reported.

He did not specify what he regarded as a proper level in his response to a question of whether the yen could play a role as a reserve currency if it depreciated. Mr. Sumita added that he did not intend to forcibly make the yen a reserve currency, but he is trying to diversify away from excessive reliance on the dollar.

Mr. Sumita said Japan told other major nations at the international monetary meetings in Berlin, which ended Thursday, that the central bank would maintain its current monetary stance but would act in an appropriate manner.

Oil Prices Plummet on Reports of Saudi Output Increase

Compiled by Our Staff From Dispatches

NEW YORK — Oil prices plunged Friday for the second day in a row after a top OPEC official said Saudi Arabia may flood world crude markets unless other members of the 13-nation cartel adhere to production quotas.

West Texas Intermediate, the benchmark U.S. crude for immediate delivery, plummeted 55 cents to \$13.37 on the New York Mercantile Exchange. West Texas Intermediate fell 19 cents on Thursday and has dropped more than \$2 since Sept. 14, when it closed at \$15.40 a barrel.

North Sea Brent, the most widely traded international grade of crude oil, fell 52 cents to \$11.95 a barrel.

Subroto, secretary general of the Organization of Petroleum Exporting Countries, said in Vienna that Saudi Arabia may extend recent sharp increases in its crude output if other OPEC members continue to exceed assigned production ceilings. He said the price could fall as low as \$3 a barrel.

"The story is a complete breakdown in OPEC's discipline," said Peter Beutel, an oil analyst with Eiders Futures Inc.

Experts said U.S. drivers will be among the principal beneficiaries of the sharp drop in oil prices, which could cut the price of gasoline at the pump by almost 5 cents a gallon if it is fully passed through to consumers.

Oil industry analysts said the Saudis were signaling that they will not accept reductions in their agreed-on output to balance overproduction by other cartel members. Rather, the biggest OPEC producer will raise its own output and offer discounts to consumers in an aggressive bid to gain a larger market share, the analysts said.

In an interview with the Dow Jones news service, Subroto said he feared the Saudis already may have begun to increase production to demonstrate that all oil-producing nations would be hurt by sharply lower oil prices.

Oil industry sources said the Saudis have gone above their OPEC quota. The country

produced up to 4.7 million barrels a day in September and 5 million barrels in August, compared with its quota of 4.34 million barrels. The Saudis have also been discounting prices, traders said.

"The fact of the matter is that oil production has grown by leaps and bounds and that it's being spearheaded by the Saudis," said Sanford Margoshes, an analyst with Shearson Lehman Hutton Inc. in New York.

Subroto's comments came a day after an oil industry journal reported that last September production for OPEC will total 20.64 million barrels a day, far above the cartel's ceiling of 17.5 million barrels a day and nearly 2 million barrels a day above world-wide demand for OPEC oil.

Meanwhile, the Ecuadorian minister of energy and mines, Diego Tamaziz, proposed Thursday that an emergency meeting of OPEC be held to define mechanisms for stemming the sharp decline in world oil prices.

Mr. Oum said the government was trying to hold down commodity prices, the cost of public services and the price it pays to farmers for rice.

But Barry Lamont, who heads the Bank of Boston's Seoul branch, said the real culprit in inflation was South Korea's large current-account surplus, coupled with continuing government restrictions on the sale of foreign cigarettes, farmers, tobacco growers and others staged street demonstrations and tried to organize a nationwide boycott of American cigarettes.

Koo Bon Ho, the president of the Korea Development Institute, a government research body, said that after an institute official publicly supported importing American beef, a delegation of farmers charged into the office and dumped a load of manure.

With the advent of free elections, politicians and planners can ignore such sentiment at their peril. Mr. Oum said the United States unfairly lumps South Korea with Japan, which started chalking up trade surpluses in the mid-1960s.

SEOUL: An Asian Economic Star Strives to Avoid Post-Olympics Slump

(Continued from first finance page)

South Korea posted its first surplus in 1986. "Many people here feel that American people are too impatient," he said.

In light of growing protectionist sentiment in the United States, South Korean businessmen are moving to reduce their dependence on the American market.

The United States still takes a big chunk of South Korea's exports: 38.7 percent last year. But in the first seven months of this year, exports to Asia soared 52 percent, compared with an 11 percent increase for North America.

Japan bought 17.8 percent of South Korea's exports last year, up from 15.6 percent in 1986.

Japan is also increasing its stake in South Korea, investing \$494 million in the country last year, nearly double American investments of \$255 million.

This staunchly anti-Communist nation has also been courting the Communist world, but so far the impact is marginal.

South Korean trade with China is expected to reach \$3 billion this year. Trade last year with the Soviet bloc was \$240 million out of a total of \$88 billion in foreign trade.

But exporters see opportunities ahead. Hungary and Yugoslavia have already established trade offices in Seoul.

Korean businessmen, however, worry that an emerging labor movement could undermine their ability to pursue new export opportunities.

A wave of labor unrest hit the nation this spring, touching off bitter strikes at most of its leading automakers.

Last year, Mr. Oum said, wages rose 20 percent, and he said he expected a similar increase this year.

Business leaders have repeatedly urged the government to crack down on strikes and are hoping to see tougher policies once the Olympics end.

But officials also said businesses must learn to cope with justified requests for better wages and working conditions.

The growing trade surplus with the United States, \$9.6 billion last year, and the fallout from it are inflating feelings on both sides of the Pacific.

American pressures on Seoul to ease import barriers and drive up the value of the won are fueling anti-American sentiment. After the government dropped restrictions on the sale of foreign cigarettes, farmers, tobacco growers and others staged street demonstrations and tried to organize a nationwide boycott of American cigarettes.

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Business leaders have repeatedly urged the government to crack down on strikes and are hoping to see tougher policies once the Olympics end.

But officials also said businesses must learn to cope with justified requests for better wages and working conditions.

Friday's OTC Prices. MASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the LMD most traded over-the-counter values. It is updated twice a year. Via The Associated Press

Table of OTC prices for various stocks, including columns for High, Low, Stock, Div, Yld, PE, High, Low, 4 P.M. CHG.

Table of OTC prices for various stocks, including columns for High, Low, Stock, Div, Yld, PE, High, Low, 4 P.M. CHG.

Table of OTC prices for various stocks, including columns for High, Low, Stock, Div, Yld, PE, High, Low, 4 P.M. CHG.

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Table of OTC prices for various stocks, including columns for High, Low, Stock, Div, Yld, PE, High, Low, 4 P.M. CHG.

Friday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

BOOKS

THE LETTERS OF T.S. ELIOT Volume I, 1898-1922

Edited by Valerie Eliot. 639 pages. \$29.95. Harcourt Brace Jovanovich, 1250 Sixth Avenue, San Diego, California, 92101.

ELIOT'S NEW LIFE

By Lyndall Gordon. 356 pages. \$19.95. Farrar, Straus and Giroux, 19 Union Square West, New York, N.Y. 10003.

Reviewed by Michiko Kakutani

How unpleasant to meet Mr. Eliot! With his features of clerical cut, And his brow so grim And his mouth so prim

And his conversation, so nicely Restricted to What Precisely And If and Perhaps and But.

— From "Five-Finger Exercises"

No doubt most of T.S. Eliot's friends and acquaintances would have ratified this comic self-portrait. Shy, aloof and elusive, the author of "The Waste Land" was, in Marianne Moore's words, "a master of the anonymous," a "cat who could never be caught," and for a long time Eliot did indeed remain "invisible" — a fate ensured for many years by his own formalistic critical doctrines and his attempts to thwart all speculation concerning the autobiographical sources of his art.

With the recent appearance of studies by Peter Ackroyd, Ronald Bush and others, however, a picture of the intimate dynamic between Eliot's life and poetry has begun to emerge — a picture, the reader expects, that will be amplified by the long awaited publication of his letters and by the second volume of Lyndall Gordon's illuminating biography.

We now know, for instance, that "The Waste Land" is not simply a great modernist meditation on the spiritual bankruptcy of the post-World War I world but also "the relief of a personal, grossly painful life" — a poem grounded in Eliot's hellish marriage to Vivienne Haigh-Wood and his own nervous collapse.

Unfortunately, this volume — which includes, the publishers say, "all the significant extant letters Eliot

wrote up to age 34" — does little to expand our knowledge of his life and work, for as Gordon observes, Eliot "was cautious about committing himself in the overtly personal form of the letter."

Covering the period from 1898 to 1922 (the year "The Waste Land" was published), the correspondence, which was edited by the poet's second wife, Valerie, dutifully chronicles Eliot's sheltered youth, his studies at Harvard, his travels in Europe and his attempts to invent a literary career for himself while working in a bank in London.

Some touching glimpses of his struggles to convince his parents of his literary promise make him sound like hundreds of other would-be poets. (At one point, Ezra Pound is even enlisted, as a wise elder, to plead his case to Eliot's father.) And there are other, more cynical glimpses of his efforts to maneuver in English literary circles. ("Here in London a man's first work may always attract attention, because while it is unknown he has no enemies, but later it is essential that he should establish solid connections with at least one important party.")

Depending on his correspondent, Eliot can be willfully serious, boyishly obnoxious or nastily misogynistic. As Gordon points out, however, each of these voices is no more than a mask put on and taken off by Eliot to conceal his real self.

Whereas the first volume of her biography ("Eliot's Early Years," published in 1977) dealt with the poet's youth, marriage and earlier work, "Eliot's New Life" begins in the 1930s, after the poet separated from his first wife and embraced the Church of England. Gordon artfully moves back and forth between the life and work, creating a subtle portrait of Eliot as a Jamesian hero torn between memory and desire, worldly happiness and a more rarified world of the spirit.

As she sees it, Eliot was nearly undone by his marriage to the neurotic and increasingly unstable Vivienne Haigh-Wood, and after her commitment to an asylum in 1938, he began to find spiritual renewal in his friendship with Emily Hale, a woman who "epitomized the pre-war Boston of Eliot's youth" and who "became the focus for his nostalgia for his origins."

But while the two soon fell in love, says Gordon, Eliot declined to marry. Only decades later in 1957, with his abrupt marriage to his secretary, Valerie Fletcher, would Eliot "replace the long-guarded world of solitude with the shared world of love."

Michiko Kakutani is on the staff of The New York Times.

Dropouts By Judson G. Trent

Dropouts crossword puzzle grid with numbers 1-114.

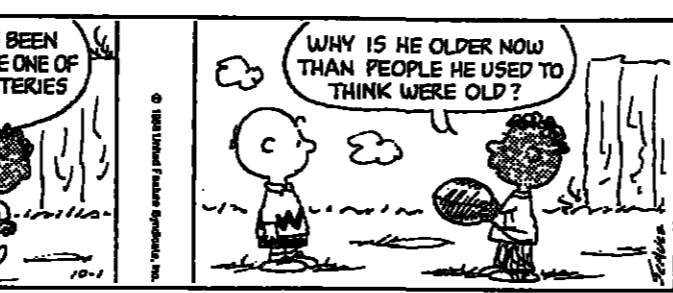
© New York Times, edited by Eugene Dolson.

- ACROSS: 1 Rigel, e.g. 3 Trade 9 French Lick is one 12 Herald's cloak 18 Guipure or colberteen 19 Kennedy relative 20 Teiher 21 Lariats 22 Fabian's opinion of Caesar: Shak. 25 "By their... ye shall know them" 26 Third 27 Peter's (old tax) 28 Saturate 29 Chevt 30 "When I was..." 31 Twangy 32 Flings 36 Author St. Johns 37 Above all 41 Michel Ney's weapon 42 Sultry 44 Kind of soup 47 First U.N. Secretary General 46 Sward 49 Wings, to Ovid 50 "Because thou... Luke 19:17 51 Home from Brooklyn 52 Photog's product 53 "... said... Chaucer": 57 Aphorisms 59 Auditors' concerns 61 Tempers 62 Painting style

DOWN

- 19 Scraglio sections 23 Apices 24 Prosperity 30 Ta-ta, in Tours 32 Section of "Le Tartuffe" 33 Joshua's fellow spy 34 Coliseum 35 Fisherman's quarry 36 Far East nurses 38 Start of Stephano's song in "The Tempest" 39 Luxury craft 40 Barm 42 Type of arch 43 Pressure product 45 Vilma or Buddy 46 N.B.A. team 51 Jigger's cousin 53 As far as 54 Nerve: Comb. 55 Black of "Nashville" 56 Gershwin's "Of Thee..." 58 Author of "Dangerous Mosquito" 64 Resort lake in the West 65 Caterpillar hairs 66 On edge 67 Foolish guilemot 68 Indigo sources 69 Attention getters 70 Gaseous element 71 Wear away 72 Trysts 74 Fast-food specialty

PEANUTS



YOU PROMISED TO RETURN MY MONEY IF IT WASN'T SATISFACTORY... YES, THAT'S CORRECT... AND THAT'S WHY I WON'T RETURN YOUR MONEY... BECAUSE YOUR MONEY WAS VERY SATISFACTORY.

BLONDIE



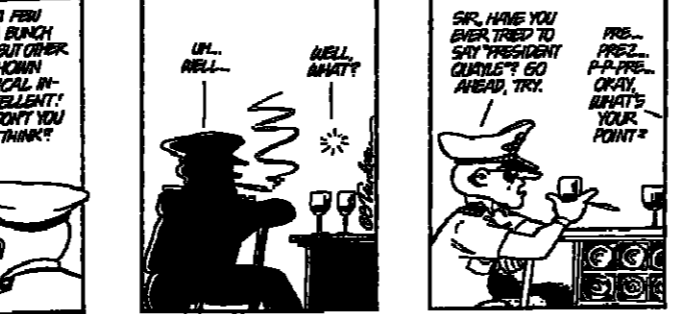
HEE HEE! STOP ME IF YOU'VE HEARD THIS ONE... A MONKEY AND AN ELEPHANT ESCAPED FROM THE ZOO... ZER0, JUST TELL HIM YOU'VE HEARD IT!

BEETLE BAILEY



I LOVE YOU! I LOVE YOU! I MUST KISS YOU! KISS! KISS! KISS! KISS! OH, BABY! BABY!

DOONESBURY



SURE, I MADE A FEW GOES. I HAD A BUNCH OF AWESOME BUNCHES. EXCELLENT POLITICAL STUNTS! JUST PRESIDENT! DON'T YOU THINK?

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Sept. 30

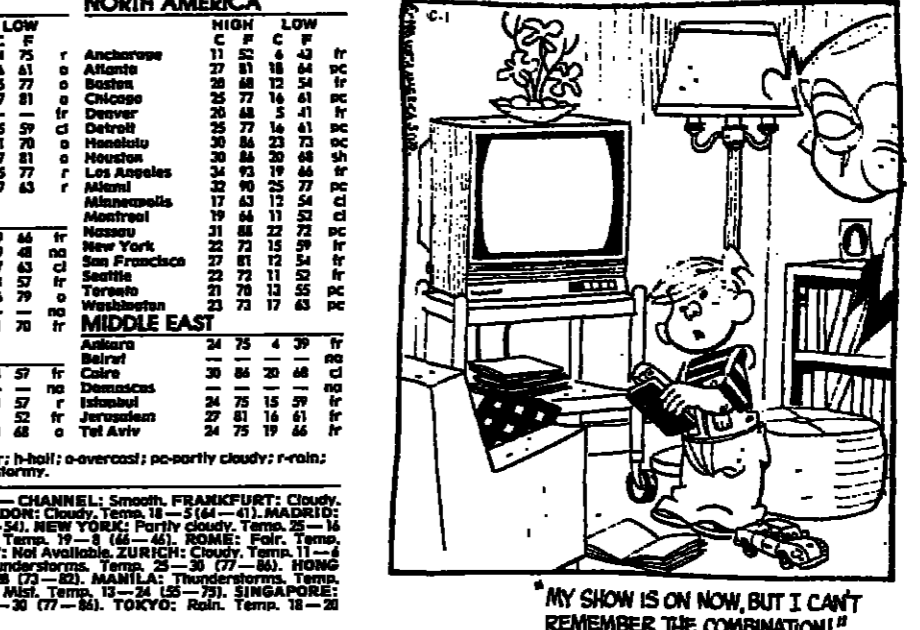
Table of World Stock Markets with columns for Amsterdam, Helsinki, Hong Kong, London, Madrid, Milan, New York, Paris, Singapore, Stockholm, Sydney, Taipei, Tokyo, Zurich, and various indices.

Table of Foreign Exchange Rates with columns for Amsterdam, Helsinki, Hong Kong, London, Madrid, Milan, New York, Paris, Singapore, Stockholm, Sydney, Taipei, Tokyo, Zurich, and various exchange rates.

WEATHER

Table of Weather forecasts for Europe, Asia, North America, Africa, Latin America, and Oceania.

DENNIS THE MENACE



"MY SHOW IS ON NOW, BUT I CAN'T REMEMBER THE COMBINATION!"

ANDY CAPP



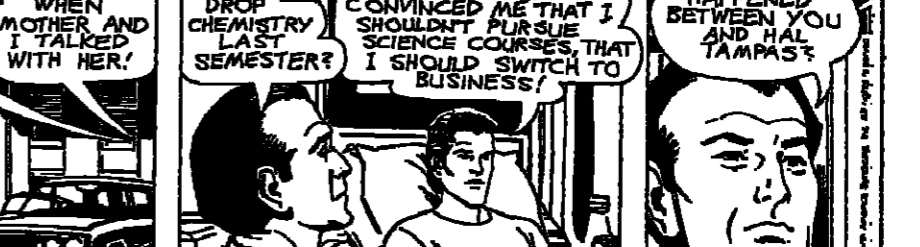
THAT'S IT, GO ON! LEAVE ME ON! ALL YOU CARE ABOUT IS ANDY AND FOOTBALL! CHON-NOW, FLOW YOU KNOW THAT'S TRUE!

WIZARD OF ID



OH MIGHTY WIZARD, I NEED A POTION TO GIVE ME THE STRENGTH OF A RHINO AND THE HEART OF A LION! GADS!... WHAT EVENT ARE YOU ENTERING BUNG?

REX MORGAN



I MET VERA AT THE UNIVERSITY! SHE WAS AN INSTRUCTOR IN A CHEMISTRY CLASS I WAS TAKING TO GET A B.A. IN CHEMISTRY. I GATHERED AS MUCH AS I COULD WHEN MY MOTHER AND I TALKED WITH HER! DIDN'T YOU DROPPED CHEMISTRY SCIENCE COURSES THAT SEMESTER? YES—WHEN I DROPPED CHEMISTRY I WAS CONVINCED THAT I SHOULD SWITCH TO BUSINESS! WHAT HAPPENED BETWEEN YOU AND HAL TAMPA?

GARFIELD



I LOVE YOU! I LOVE YOU! I MUST KISS YOU! KISS! KISS! KISS! KISS! OH, BABY! BABY!

Large vertical advertisement on the right side of the page, partially cut off, with the word 'RESULTS' visible.

SPORTS

Sox Unleash Hits, Clinch a Tie

The Associated Press
CLEVELAND — The perspiration period has ended. The Boston Red Sox clinched a tie for the American League East title on Thursday, routing the Cleveland Indians 12-0.

BASEBALL ROUNDUP

Sox said "The pressure's off us now." Milwaukee and New York are on the verge of elimination. Just to tie, the Brewers and Yankees need to win all their remaining games and have Boston lose its final three to the Indians. Detroit, which was idle, was chased from the race.

giving up a run in the ninth as Seattle beat Texas. Expos 5, Cubs 4: In the National League, in Montreal, Bryn Smith allowed five hits in six innings to lead Montreal over Chicago. Smith gave up two runs in the first, as Shawon Dunston and Mitch Webster led off the game with triples, but he recovered.

Canseco Angry at Writer Jose Canseco, baseball's leading home run hitter, has angrily denied televised assertions by a baseball writer that he used steroids and says he is considering legal action. The Associated Press reported from Oakland, California.

Knockout for Marital Bliss

NEW YORK — The wife of Mike Tyson, the heavyweight boxing champion, says that the fighter has "a side to him that's scary" and that she fears at times for her physical safety. Robin Givens, an actress, said in a TV interview with ABC's Barbara Walters that she was to be broadcast Friday that life with Tyson has been "torture," "pure hell," and "worse than anything I could possibly imagine."

Despite the tribulations since she married Tyson in February, Givens gave no indication that she wanted a separation or divorce. Givens said the consequences for Tyson would be dire — even life-threatening. Tyson told Walters that he loves his wife and would not stand in her way if she chose to leave.

Tyson's manager, Bill Cayton, also interviewed, said he did not believe Tyson was a manic-depressive and said that if Tyson took lithium to control such a condition, he would not permit Tyson to fight again.



Chin creased with determination, Hershiser rears back against the San Diego Padres.

Hershiser Pitches With the Gods

By Thomas Boswell
WASHINGTON — Perhaps no seminal baseball record in this century has been performed with such a publicity vacuum as Orel Hershiser's amazing 59 consecutive scoreless innings.

Because no one, including Hershiser, believed that he could break Don Drysdale's 20-year-old mark of 58 innings, no one, it seems, even bothered to notice, suddenly, on Thursday morning, fans awoke to discover that the Los Angeles Dodgers' pitcher had already surpassed the two Hall-of-Famers who were ahead of him: Drysdale and Walter Johnson (55½ innings in 1913).

To value the spite-tingling quality of this new mark, remember that it is still intact. When Hershiser starts his first game next season, his regular-season record will continue with him, despite any stumbles he and the Dodgers make in the playoffs.

Amid the clutter of the Olympics and football, Hershiser has been a mere to-be-continued tale.

Even on Wednesday against San Diego, it was presumed that, with a six-straight shutout, he could only tie Drysdale's record. Who would have dreamed that the game would go to extra innings?

Hitting streaks mean to batters roughly what shutout-inning streaks mean to pitchers. In that light, is Hershiser's record the equal in difficulty, historic weight and sheer shock value of Pete Rose's National League record hitting streak of 44 games in 1977? Yes, almost certainly. Is it the equal of Joe DiMaggio's 56-game hitting streak? Almost certainly not. But arguing about it would not be crass.

Hershiser's streak has been as genuinely excellent as it has been incredible. In his six September starts, he allowed 32 hits and nine walks in 55 innings, compared to 34 strikeouts.

Considered on cold statistics, Hershiser might not even win the Cy Young Award. Danny Jackson of the Reds has the same record — 73-8.

SCOREBOARD

BASEBALL

Thursday's Line Scores

Table with columns for League, Team, Score, and Innings. Includes American League and National League games.

TRANSITION

BASEBALL
ATLANTA — Kurtis Schroy, catcher, from Chicago for Kevin Cofman and Kevin Slomkowski, pitchers.

Major League Standings

Table showing American League and National League standings for East and West divisions.

SIDELINES

Swish for Deng

BEIJING (UPI) — The Harlem Globetrotters, the basketball team that Deng Xiaoping, China's premier, asked to see during his visit to the United States, will bring its special style of ball-handling to China for the first time next month, a spokesman for the team said Thursday.

The Globetrotters will play exhibition games in Shanghai, Xian and Beijing Oct. 15-19, said the spokesman.

"The Globetrotters have played a total of 101 countries. China will be the 102nd and it is a very exciting event," Lee said.

OLYMPIC RESULTS

MEDALS

Table showing medal counts for various countries in different sports.

TRACK AND FIELD

FINALS

Table showing results for various track and field events.

WRESTLING

FINALS

Table showing results for various wrestling events.

SOCCER

FINALS

Table showing results for various soccer events.

WATER POLO

FINALS

Table showing results for water polo events.

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FINALS

Table showing results for water polo events.

WRESTLING

FINALS

Table showing results for various wrestling events.

OLYMPICS ON TV

SATURDAY, OCT. 1

Table listing TV broadcast times for various Olympic events.

TRACK AND FIELD

FINALS

Table showing results for various track and field events.

WRESTLING

FINALS

Table showing results for various wrestling events.

SOCCER

FINALS

Table showing results for various soccer events.

WATER POLO

FINALS

Table showing results for water polo events.

WRESTLING

FINALS

Table showing results for various wrestling events.

SOCCER

FINALS

Table showing results for various soccer events.

WATER POLO

FINALS

Table showing results for water polo events.

WRESTLING

FINALS

Table showing results for various wrestling events.

OLYMPICS ON TV

SUNDAY, OCT. 2

Table listing TV broadcast times for various Olympic events.

TRACK AND FIELD

FINALS

Table showing results for various track and field events.

WRESTLING

FINALS

Table showing results for various wrestling events.

SOCCER

FINALS

Table showing results for various soccer events.

WATER POLO

FINALS

Table showing results for water polo events.

WRESTLING

FINALS

Table showing results for various wrestling events.

SOCCER

FINALS

Table showing results for various soccer events.

WATER POLO

FINALS

Table showing results for water polo events.

WRESTLING

FINALS

Table showing results for various wrestling events.

OLYMPICS ON TV

SUNDAY, OCT. 2

Table listing TV broadcast times for various Olympic events.

TRACK AND FIELD

FINALS

Table showing results for various track and field events.

WRESTLING

FINALS

Table showing results for various wrestling events.

SOCCER

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Table showing results for various soccer events.

WATER POLO

FINALS

Table showing results for water polo events.

WRESTLING

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Table showing results for various wrestling events.

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Table showing results for various soccer events.

WATER POLO

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Table showing results for water polo events.

WRESTLING

FINALS

Table showing results for various wrestling events.

OLYMPICS ON TV

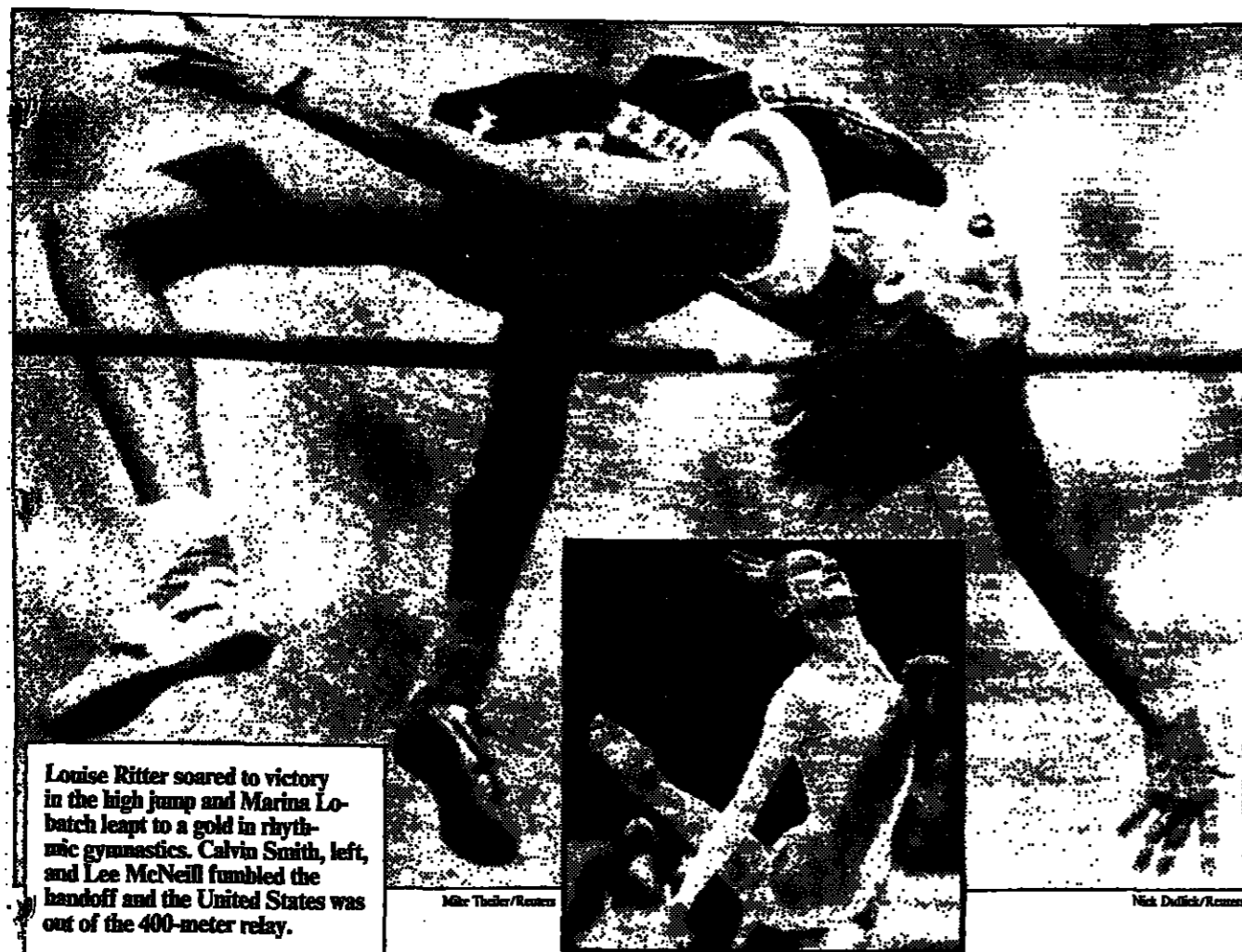
SUNDAY, OCT. 2

Table listing TV broadcast times for various Olympic events.

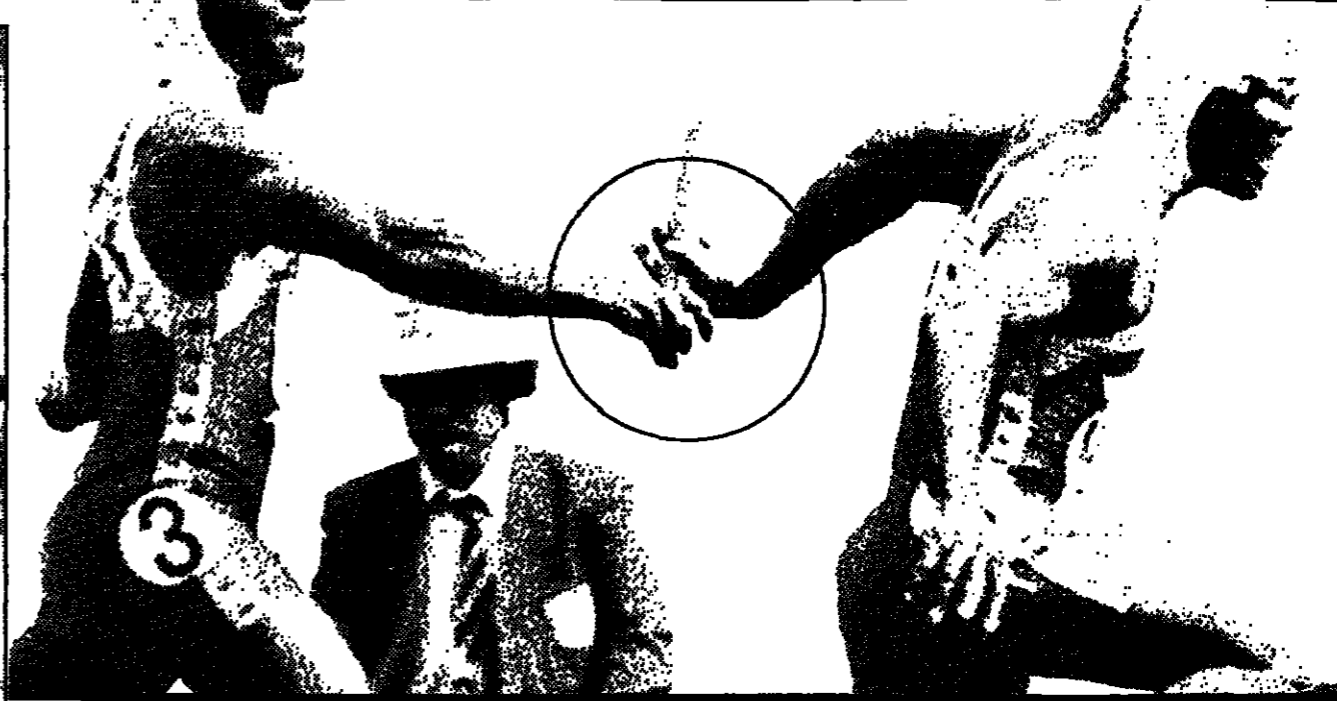




# SPORTS / 1988 SUMMER OLYMPICS



Louise Ritter soared to victory in the high jump and Marina Lobach leapt to a gold in rhythmic gymnastics. Calvin Smith, left, and Lee McNeill fumbled the handoff and the United States was out of the 400-meter relay.



Mark Duncan/The Associated Press

## U.S. Relay Team Disqualified

By Frank Litsky  
New York Times Service

SEOUL — The United States won a gold medal Friday in a track and field event it did not expect to win. It lost a gold medal in an event it was sure it would win.

The surprise victory came in the women's high jump, Louise Ritter upsetting Stefka Kostadinova of Bulgaria, the world champion and world record-holder, in a jumpoff at 6 feet, 8 inches (2.02 meters).

The surprise setback came in the men's 400-meter relay when the United States was disqualified for passing the baton out of its lane in a heat. The disqualification cost Carl Lewis a chance at his third gold medal of the Olympics.

Lewis was being rested and did not run in the fateful heat. So he lost a gold medal on a day he did not run, just as he won the 100-meter gold medal on a day he did not run. He had finished second in the 100, only to become the winner when Ben Johnson of Canada was disqualified after he had tested positive for drugs.

Here is what happened in the day's other major events:

• Men's 3,000-meter steeplechase: Julius Karimbi beat Peter Koech, his Kenyan teammate, by 6 meters (6.5 yards) in 8 minutes, 5.51 seconds, the second fastest ever and an Olympic record.

• Men's 50-kilometer walk: Eastern European swept the medals, with Vyacheslav Ivanenko of the Soviet Union winning by 100 meters in 3:38.20 for the 31 miles.

Women's 10,000 meters: At 5-1 and 90 pounds, Olga Brzdanenko of the Soviet Union looked to be more comfortable on the balance beam. But she dinged Liz Lynch McColligan of Britain for most of the race, then sprinted by her with a half lap remaining and won by 20 meters in 31:05.21. World record holder Ingrid Kristiansen of Norway, the favorite, dropped out after six laps because of an injured right foot.

• Women's 100-meter hurdles: Jordanka Donkova of Bulgaria, the world record-holder, beat Gloria Siebert of East Germany in 12.38 seconds, an Olympic record.

• The long-awaited battle in the men's 1,500 meters between Said Aouita of Morocco and Steve Cram of Britain will not happen. Aouita scratched from the semifinals with a chronic strain of his left hamstring muscle. Cram, at 3:38.30 and Steve Scott, 3:38.20, the perennial American leader, were among the 12 qualifiers for the final.

"I felt so good," said Scott, "I wish it had been the final."

But Joaquim Cruz of Brazil, debuted Monday as the Olympic 800-meter champion, was apparently too tired and withdrew.

The dramatic ending to the women's high jump came after both competitors cleared 6-7, then missed three times at 6-8. In their fourth attempt at 6-8, Kostadinova missed and Ritter made it.

She fell back onto the mat, covering her face with her hands in disbelief at the jump, which equaled her American record and broke the Olympic mark.

"This proves, that at this time, I'm the best high jumper in the world," Ritter said. "It might have been a surprise to a lot of people, but I always thought I could do it."

It was the first time an American woman had won the high jump since Mildred McDaniell in 1956.

The 400-meter relay consisted of one lap around the Olympic Stadium's all-weather track, with four men running 100 meters each. Each team ran in the same lane throughout the race, and the starts were staggered so every team would run the same distance.

Dennis Mitchell ran the first leg for the United States, Albert Robinson the second, Calvin Smith the third and Lee McNeill the fourth. Only Smith, a former world record-holder at 100 meters and the current world champion at 200 meters, is experienced in international-level relay racing.

The baton must be passed from one runner to the next within a 20-meter zone. The first two passes were ragged but legal. The third was bad, and television tapes showed that McNeill did not take the baton from Smith until McNeill had run past the zone.

"Lee had his hand out," said Russ Rogers, the U.S. men's sprint coach. "Everything was perfect. Then Calvin missed his hand. In-

stead of Lee keeping his hand out, he turned to look for Calvin and his hand moved. Every time Calvin tried to pass, he missed Lee's hand. It's ironic because Lee is the best relay passer we have."

"I was real nervous," said McNeill. Smith said: "I was concentrating on getting the stick into Lee's hand, and he was moving his hand."

The inspector at the passing zone waved a white flag, which meant there was no violation, and the United States went on to finish first in 38.98 seconds. But in the half-hour after the result of the race had been posted, the Soviet Union, France and Nigeria filed protests.

The protests were heard by a seven-man jury from the International Amateur Athletic Federation, the world governing body of track and field. The jury watched tapes of the baton pass and then disqualified the United States.

Rogers and Lewis had feuded all summer because Rogers wanted Lewis to spend more time at relay practice. Their differences were settled, and Lewis was scheduled to replace McNeill on the anchor leg in the final.

The United States has won this relay in 13 of the 16 previous Olympics. The Americans did not win in 1912, when they were disqualified in the semifinals; in 1960, when a similar out-of-zone pass negated a victory, and in 1980, when the United States boycotted the Moscow Olympics.

## Soviet Union Defeats Yugoslavia, 76-63, To Capture Gold Medal in Basketball

Compiled by Our Staff From Dispatches

SEOUL — The Soviet Union won the gold medal Friday in the Olympic basketball tournament with a 76-63 victory over Yugoslavia, having beaten the United States in the semifinals on Wednesday.

Friday's game was controlled by the 7-foot, 4-inch (2.23-meter) Soviet center, Arvidas Sabonis, who overwhelmed Yugoslavia's front-line. Sabonis scored 20 points and pulled down 15 rebounds.

The Soviets broke open the game in the second half after a quick start by Yugoslavia that left the Soviets leading by only three points at half-time.

Sharmas Marchulionis, who totaled 21 points, quickly scored five on two jump shots to pad the lead after intermission and the Soviets were away.

They held off Yugoslavia with tough defense and the towering rebounding skills of Sabonis. With Sabonis entrenched under the basket, Yugoslavia was pressured into numerous misses and seldom got a second chance. Yugoslavia was within nine points with four minutes left when the Soviets posted 76-63 at the next 16.

### GAMES ROUNDUP

"This has been the ideal in my life, to win the Olympics," said the Soviet coach, Alexander Gomelsky, who was thrown into the air three times by his jubilant players after the game.

Yugoslavia's coach, Dusan Ivkovic, said: "Our forwards played very badly. They are too young and the Russians are much more experienced."

In water polo, Craig Wilson, the goalie, led the United States to an 8-7 victory over the Soviet Union. The Americans will play Yugoslavia, the world's top-ranked team, in Saturday's final.

Yugoslavia advanced earlier by turning a contest with previously unbeaten West Germany into a 14-10 mismatch.

The U.S. team held onto the lead after the first two minutes by playing methodical defense against one of the highest-scoring teams in the tournament.

Marina Lobach of the Soviet Union, scoring maximum marks throughout three days of competition, won the gold medal in rhythmic gymnastics.

The top four finishers all earned perfect scores of 10 for the four disciplines in the final session. The medals were decided on marks in the preliminary competition.

The pre-Olympics favorite in the event, Bianka Panova of Bulgaria, could not make up a deficit incurred by errors on the first day. Despite four 10s on Friday, Panova — winner of the all-around title and all four individual disciplines at last year's world championships — finished fourth.

Lobach ended up with 60 points. Adriana Dumavska of Bulgaria took the silver with 59.95 and Alexandra Timoshenko of the Soviet Union got the bronze with 59.875. Panova scored 59.725.

Aurelio Miguel of Brazil captured the gold medal in the 95-kilogram (209-pound) men's judo competition, defeating Marc Meilinger of West Germany.

Bronze medals were shared by Robert Van De Walle of Belgium and Dennis Stewart of Britain.

France defeated West Germany, 8-3, to capture the team épée event. The West Germans had beaten the French for the gold in 1984.

The Soviet Union won the bronze, edging Italy by one touch after the teams tied at 3-3.

"During the last four years, we have been thinking of taking our revenge for the defeat," said Jean-Michel Henry, a member of the French team. "But what was important was to win. We pinned our hopes on the team event."

Carolyn Waldo of Canada scored a perfect 10, five 9.9s and a 9.8 in the final round to win the gold in solo synchronized swimming over 1984 Olympic nemesis Tracie Ruiz-Conforto of the United States.

Tracie Ruiz-Conforto won the silver medal and Mikako Kotani of Japan the bronze.

"I've felt so calm during the whole competition," Waldo said. "I guess I'm kind of a numb-brain."

Australia won the women's field hockey title by beating South Korea, 2-0. The Australians scored on a penalty shot by Deborah Bowman and an unaided field shot by Lee Caples.

President Roh Tae Woo of South Korea and his wife attended the game, which was played before a partisan crowd of more than 25,000. The president and Mrs. Roh walked onto the field after the match and shook hands with members of both teams.

In an earlier game for the bronze medal, the Netherlands outclassed Britain, 3-1.

Jay Barrs of the United States won the gold medal in individual archery for men and said, "I have been waiting for this moment for the past eight years. I shot real well today."

Barrs scored 338 points in the final round of 36 arrows. He hit the bull-eye 18 times for a perfect score of 10 each. His total score was 2,605 points.

The silver medal went to Park Sang-soo of South Korea, the bronze to Vladimir Echeverre of the Soviet Union.

South Korea swept the medals in the women's individual event, with Kim Soo Nyoung claiming the gold with 2,683 points, an Olympic record. The silver was won by Wang Hee Kyung and the bronze by Yun Young Suk.

Vania Guecheva of Bulgaria ended Birgit Schmidt's domination of women's kayaking, taking the gold medal in the K-1 singles event. Schmidt, of East Germany, the gold medalist in the event at the Moscow Olympics, won five world championships in the K-1 from 1981 to 1987.

"I'm very pleased to beat Birgit," Guecheva said. "It has been a dream of mine for the last 10 years."

## America's Monday Defeats Soviet, Is First Black to Win Wrestling Gold

By William Gildea  
Washington Post Service

SEOUL — Kenny Monday didn't simply sneak up on his chance to become the first black in the history of the Olympic Games to win a gold in wrestling. Kenny Monday was ready.

At 26, he had been a four-time all-America at Oklahoma State, where he now works as an assistant coach. Not only was he the only non-Soviet athlete to reach the semifinals at the Soviet national tournament this year, he was voted the meet's outstanding wrestler after winning the 163-pound (45-kilogram) title.

In this year's trials, he had beaten the defending Olympic gold medalist, Dave Schultz, Schultz promptly retired. But Monday knew that if he were to win the gold, one of the toughest men in the world at 163 pounds would be waiting for him on the center mat in the last match. Monday made it and there he was, Adrian Varsev of the Soviet Union.

He had wrestled Varsev three previous times, losing twice. "But," said Monday, "I started believing in myself. I started believing in my training habits. I just worked hard."

Yet anything can go wrong in the chaotic atmosphere of an international wrestling arena such as the Sangmu Gymnasium in Seoul, across the street from a cabbage

farm big enough to keep Koreans in kimchi for months.

The scene was electric. A section of Japanese roared wildly for their countrymen, led in cheers by an elderly gentleman in black garb waving the Japanese flag. The American section had its Uncle Sam, a hoarse native of Eau Claire, Wisconsin, who wore a red-and-white striped jersey and top hat to match, complete with stars. There were pockets of Soviets, Czechs and Germans, and thousands of Koreans.

Monday and Varsev came together like clashing front-end loaders, but combined with their ferocity they had the speed of whippets.

In the first two rounds, neither man could score a point. If one managed to get close enough for a healthy grip on the other, the other would manage to break free with a surge of strength that surpassed the attacker's.

With 1:42 left in the second round, Monday scored a point, which looked to be enough as the clock ticked down. But Varsev flipped him with 55 seconds remaining for a 2-1 lead. "He blew it," said an American pessimist.

But he hadn't. The clock showed just 12 seconds when Varsev hit the mat and Monday had his tying point.

It was then that Monday believed he would win. "I felt my condition was better,

which it was," he said. "I felt he was starting to break a little bit. He started getting tired. I felt I could beat him."

Monday was right. In 42 seconds, he lifted Varsev, then dumped him for three points and a 5-2 victory.

Bob Douglas, Monday's coach, is also a black and had often reminded Monday of his possibilities, of being the first black, from any country, in any Olympics, to win a gold.

"It's been on my mind," said Monday. "I've been keeping that on my mind as an extra motivational factor."

In an Olympics when American black athletes have shone in such sports as fencing and taekwon do, Monday had broken through in yet another area.

In other matches Friday, Mitsuru Sato of Japan won the gold medal in the 52-kilogram division with a 13-2 victory over Saban Trstana of Yugoslavia.

Vasile Rusescu of Romania scored on a single-leg takedown with 19 seconds remaining to take the gold medal at 100 kilograms, 1-0, from Leni Khabelov of the Soviet Union.

In a showdown for a bronze medal in the 100-kilogram division, Bill Seher of the United States pinned Uwe Neupert of East Germany at 1:18 into the six-minute match.

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## Ritter: Injury-Prone but Rising to the Occasion

By Christine Brennan  
Washington Post Service

SEOUL — Louise Ritter lives in Dallas, a big-time sports town that never has been confused as a haven for high jumpers.

"Honestly, I doubt if I walked down the street anyone would notice me," Ritter said Friday.

If she jumped over a parking meter with a couple feet to spare, maybe someone would look. Or perhaps she could gain attention by standing on a corner and telling people what she had just accomplished. In what might have been the biggest single upset of the now-waning Olympic Games, Ritter set an Olympic record of 6 feet, 8 inches and became the first American woman in 32 years to win the gold medal in the high jump.

Ritter, an injury-prone, 30-year-old who never has had much luck in international competition, upset world champion and world-record holder Stefka Kostadinova of Bulgaria, a 23-year-old who was just about the lock of the Games. Ritter won it in a jump-off, a playoff of

descending heights where one miss or one clearance meant the difference between silver and gold.

Had this been baseball, Ritter would have won the seventh game of the World Series in the bottom of the 10th. In her last at-bat, she came out smacking. All Kostadinova could do was sit in the grass infield and watch her gold medal slip away.

"I knew if I didn't clear [6-8], she wasn't going to miss again," Ritter said. "I knew I would either win it there or she was going to beat me."

To set the stage, Ritter and Kostadinova matched each other jump for jump through the early heats as others missed three times and fell by the wayside. Neither of them made a mistake. They were perfect until they reached 6-8.

But when they tied, both failed on their third attempts. So they began their jump-off. The bar still was placed at 6-8; if both women missed at that level, it would be lowered by a centimeter at a time until one failed and the other was successful.

This was a height Kostadinova had cleared 24 times in competition

in her career. Ritter had cleared it only once before, that at a recent meet to break her own U.S. record.

However, on her first attempt in the jump-off, Kostadinova led off and incredibly missed again, clearing the bar with ease but bumping it with a hip on the way down.

So Ritter was up. The competition was hers to win. She rocked, she ran, she jumped, she won. She looked like she cleared the height without shaking the bar, although she later said she grazed it. No matter. She had defeated Kostadinova and had won a totally unexpected gold medal for the United States.

Kostadinova won the silver with a successful jump of 6-7; Tamara Bykova of the Soviet Union won the bronze with a jump of 6-6.

Ritter, who has been on three U.S. Olympic teams, has been ranked either first or second in the United States since 1977. She finished eighth at the 1984 Olympics and eighth at last year's world championships.

As a child, she suffered from rheumatic fever and could not play

outdoors. She went to school, then went home. But within a couple years, she became well enough to do what any healthy child wanted to do — to run and to jump.

At the age of 19, she began to win national titles, but had to undergo surgery on her left ankle that year and again two years later, in 1979. She had arthroscopic knee surgery on her right leg in '79, and broke her ankle in 1980 on the day after she made the Olympic team that did not go to Moscow. In 1982, she tore her left Achilles' tendon.

Characteristically, she came to Seoul with a mild form of anemia and an injured hip, but got over both. "I was tired and run down, but the hip was more of a concern," she said.

Overcoming injuries was nothing compared to the task of beating Kostadinova. "No doubt she was the favorite, but I beat her at a meet last year," Ritter said. "Before that, I thought she was inhuman."

"But the whole point of the matter is who's best on that very day... Maybe a lot of other people were surprised, but I wasn't."

## U.S., Soviets to Meet Again for Gold in Volleyball

By Peter Maass  
Washington Post Service

SEOUL — In a classic display of power and finesse Friday, the favored U.S. men's volleyball team defeated Brazil, 15-3, 15-5, 15-11, to qualify for the gold medal match against the Soviet Union. The match lasted just over an hour.

"They just killed us," said Brazil's coach, Paulo Freitas.

The second-seeded Soviet Union gained Sunday's final with a 15-11, 17-15, 15-8 victory over Argentina.

The size, strength and experience of the Soviets was too much for the Argentines. In the first game they fought back to tie at 11 before losing. In the second set, they held

game point for four serves, but could not put the game away, before Soviet blocker Vladimir Chikourine scored the last two points.

The U.S. coach, Marvin Dunphy, said the easy victory over the Brazilians — who upset the Soviets in a preliminary match earlier this week, and who won the silver medal at the 1984 Games — had primed his team for the final.

"We have confidence, but not to the point that we're cocky," he said. "Our focus is on the Soviet Union."

In their nine encounters this year, the United States — with four starters left from the 1984 gold medal team — has beaten the Soviet Union seven times. Two losses came while

playing in the Soviet Union in the Savvin Cup in August.

The Soviets have won three volleyball gold medals, the last in 1980. They boycotted the 1984 Games.

The U.S. players said they were looking forward to a tough match against the U.S. men's basketball loss to the Soviet Union.

"We saw the [basketball] players yesterday and how dejected they were," said Robert Cvrtilik, whose sharp play Friday helped power his squad to victory. "It was real bad for them, and we don't want that to happen to us."

The United States has dominated the sport since the 1984 Olympics, winning the 1985 World Cup, the 1986 World Championships and the 1987 Pan American Games.

The team had no problem winning the first two games against Brazil, consistently making stiff blocks at the net. But in the third game, the emotional Brazilians jumped out to a 6-0 lead, shutting down the spiking of Steve Timmons.

Then came Brazil's fifth service error in the game. And Cvrtilik, who worked as a security guard at the volleyball stadium at the 1984 Games, blocked a ball back onto the Brazilian court to end the contest.

"They can win the gold medal," said the Brazilian coach, Freitas.



Kenneth Monday of the United States became the first black to win an Olympic gold in wrestling and Miloslav Mecir of Czechoslovakia won the men's tennis final.

## Mecir Outstrokes Mayotte in Men's Tennis Final

By Peter Alfano  
New York Times Service

SEOUL — Miloslav Mecir of Czechoslovakia won the men's singles gold medal in tennis on Friday, defeating Tim Mayotte of the United States, 3-6, 6-2, 6-4, 6-2.

In the women's doubles final, Pam Shriver and Zina Garrison of the United States defeated Helena Sukova and Jana Novotna of Czechoslovakia, 4-6, 6-2, 10-8.

In a departure from the expressionless mask he usually wears on the court, Mecir threw his racket into the air and ran to the net with a smile after Mayotte netted a backhand volley on match point.

Mecir, 24, is ranked No. 10 in the world, a sleepy-eyed player with a wispy beard, nicknamed the Cat for the way he covers the court with deceptively quick, silent strides. But injuries had made this a disappointing year until now, as Mecir's best showing was reaching the Wimbledon semifinals.

Several minutes later, he, Mayotte, Brad

Gilbert of the United States and Stefan Edberg of Sweden took part in the medal ceremony, all appearing to enjoy the Olympic moment that modern-day tennis players never grew up thinking they would have a chance to enjoy.

"It's a very good feeling," Mecir said. "It's difficult to say how this feels, however. I've played in so many tournaments. It is nice, though, to hear people cheering not only because I'm a good player, but because I am playing for them also."

Mayotte, 28, has been one of the biggest boosters of Olympic tennis the past two weeks, saying it was a welcome departure from the normal preoccupations of the tennis tour. There was even something worthwhile finishing second as he left the Olympic park stadium court with a silver medal draped around his neck.

"It's strange because here, the emphasis is on medals instead of 100 percent on winning," Mayotte said. "So there is consolation

in getting to the medal group. The ceremony was fantastic, it's such a different way of doing things."

Mayotte won the first set on the strength of his serve but he was aware that Mecir, a superbly conditioned player, is a slow starter. Before Mayotte even had time to enjoy his advantage, Mecir broke him in the opening game of the second set.

Mayotte never recovered. Mecir used an accurate, if not overpowering, serve to put the ball in play, then sat back and pulled the strings, moving Mayotte from side to side, bringing him to the net, putting him on the run with lobs.

"He was keeping me in motion," Mayotte said. "I know I would have my work cut out for me. He made so many of his first serves, hitting them deep."

Mecir was barely challenged on his serve, winning 28 of 30 points during one stretch. "I have to spend some time with my

friends to think about how this feels," he said. "It's a great day."

Judging by the smiles worn by Mayotte and the two bronze medalists, Gilbert and Edberg, it was one of the rare times in tennis when even the losers had something to cheer about.

In the women's final, the favored Americans rallied back from a first-set deficit with sharp volleys and better control of the net, breaking the Czech pair on Sukova's serve twice in the second set.

But Sukova and Novotna dug in for the final set, saving six break points before the Americans broke through at 8-8. They saved five more match points at 9-8 before Novotna returned a Garrison serve long.

The United States is assured a total of five of the 16 tennis medals, the most of any country, while Czechoslovakia will be second with three. Tennis is an official Olympic sport this year for the first time since 1924.

